



MEMBERSHIP

Mr L Kozlovic (Chair)
Mr R Bria
Mr D Powell
Cr P Klobucar
Cr B Simpson (proxy)
Cr P Borda (proxy)

NOTICE OF AUDIT AND RISK COMMITTEE MEETING

TO THE CHAIR AND MEMBERS OF THE AUDIT AND RISK COMMITTEE

NOTICE is hereby given pursuant to Section 87(4) of the Local Government Act 1999 that the Audit and Risk Committee Meeting will be held online on Friday 19 June 2026 at 10.00am.

The Audit and Risk Committee Meeting is open to the public to attend electronically via Microsoft Teams, [Click here to join the meeting.](#)

When attending the meeting via Microsoft Teams, participants are agreeing to Microsoft's *Terms and Conditions* – follow this link [Microsoft Privacy Statement – Microsoft privacy](#) to view Microsoft's *Privacy Statement*.

A copy of the Agenda for the above meeting is supplied as required.

JUSTIN COMMONS
CHIEF EXECUTIVE OFFICER
Dated: 12 June 2026

AGENDA

AUDIT AND RISK COMMITTEE MEETING

To be held online (see link on covering page) on Friday 19 June 2026 at 10.00am

Members: Laurie Kozlovic (Chair) Roberto Bria, David Powell, Cr Peter Klobucar

In Attendance: Justin Commons (CEO), Sue King (General Manager Corporate Services), Paul Day (General Manager Infrastructure), Grant Jennings (Manager Finance and Knowledge Management), Ellisha Papoulis (Manager People and Culture), Sandra Vigar (Finance Coordinator), Naomi Jarvis (Executive Co-Ordinator – Infrastructure).

Apologies:

ACKNOWLEDGEMENT OF COUNTRY

"We acknowledge the Barngarla and Kurna people, the traditional owners of the land on which we meet today and pay our respects to the Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people who are present today."

1. STANDING ITEMS	Action	Page
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1.2 Declaration of Members Conflict of Interests		
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1.4 Business Arising from Previous Meetings <i>(including progress against external/internal review recommendations)</i>	Note	12
1.5 Committee Members/Staff/Auditors Discussion <i>(if required)</i>		
2. ITEMS FOR DECISION		
2.1 Review of Finance Policies	Recommend	20
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1. STANDING ITEMS

1.3 Minutes of Audit and Risk Committee Meeting – 10 April 2026

Audit and Risk Committee 19 June 2026

Meeting:

Author's Title: Lisette Symons - Executive Coordinator - **File No.:** 0-159
Corporate

Director: Corporate

Annexures

A – Minutes of the Audit and Risk Committee Meeting held 10 April 2026

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

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Yes

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No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

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Yes

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No

Reason –Nil

PURPOSE

The purpose of this item is to seek the Audit and Risk Committee's confirmation of minutes from previous meetings of the Committee.

BACKGROUND / DISCUSSION

The last meeting of Council's Audit and Risk Committee was held 10 April 2026. The confidential versions of the minutes were distributed to Committee Members on 27 April 2026 and now require confirmation

Should the Committee wish to include any additional information in the minutes, this can be facilitated during the meeting, including moving into confidence if needed.

RECOMMENDATION

The Audit and Risk Committee:

1. Confirm the minutes of the Audit and Risk Committee meetings held on 10 April 2026 as a true and correct record of the meeting.



**MINUTES OF THE WHYALLA CITY COUNCIL AUDIT AND RISK COMMITTEE MEETING
FRIDAY 20 FEBRUARY AT 9.00 AM
HELD AT WHYALLA CITY COUNCIL, 21 GRUNDEL STREET, WHYALLA AND LOCAL GOVERNMENT FINANCE
AUTHORITY BOARDROOM, SUITE 1205, 147 PIRIE STREET, ADELAIDE.**

PRESENT: Mr L Kozlovic (*chair*), Mr R Bria, Mr D Powell, Cr B Simpson (*proxy*)

OFFICERS IN ATTENDANCE: Chief Executive Officer (*Mr J Commons*)
General Manager Corporate Services (*Ms S King*)
General Manager Infrastructure (*Mr P Day*)
General Manager City Growth (*Ms J Perone*)
Manager People and Culture (*Mrs E Papoulis*)
Manager Finance and Knowledge Management (*Mr G Jennings*)
Manager City Operations (*Mr C Sharp*)
Manager Assets and Planning (*Mr Y Khan*)
Finance Coordinator (*Mrs S Vigar*)
Executive Coordinator – Infrastructure (*Ms N Jarvis*)

OBSERVERS: Mayor P Stone

ACKNOWLEDGEMENT

The Chair acknowledged that the meeting was being held on Barngarla and Kaurna land and gave thanks for the use of this land.

1. STANDING ITEMS

1.1 Welcome and Apologies

Apologies – Cr P Klobucar
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests

Nil

1.3 Minutes of Previous Meeting – Friday 20 February 2026

Moved Mr R Bria, seconded Mr L Kozlovic

AC612-2026

That the Audit and Risk Committee confirm the minutes of the Audit and Risk Committee Meeting held on 20 February 2025 as a true and correct record of the meeting.

Carried

1.4 Business Arising from Previous Meetings – as at 10 April 2026

Moved Mr D Powell, seconded Mr R Bria

AC613-2026

That the Audit and Risk Committee:

Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.

Carried

2. ITEMS FOR DECISION

2.1 Code of Practice for Meeting Procedures

The General Manager Corporate Services introduced this item advising that at the previous Audit and Risk Meeting held in February, the Code of Practice for Meeting Procedures was tabled and accepted but it was requested that reference be made to the ability to conduct free-flowing dialogue. This has now been included in the document

Moved Mr D Powell, seconded Mr R Bria

AC614-2026

That the Audit and Risk Committee reviews and recommends the amendments (as requested by the Committee) made to the Code of Practice Meeting Procedures that apply to Council committees, as outlined in this report.

Carried

2.2 Review Draft Annual Business Plan and Budget

The Manager Finance and Knowledge Management introduced this item advising that following consultation with other Councils and discussions around the current geopolitical uncertainty, the Long-Term Financial Plan (LTFP) has been built around CPI of 3.5%. This uncertainty and any changes in the future (based on the assumption that this is a temporary state of affairs) will be discussed with Council Members at the upcoming Council Meeting to determine how this will be managed and communicated with the public during the consultation period.

The LTFP had an increase of 4.3% and based on community survey results from last year, the Council Members have had a strong appetite to add additional resources to improve city amenity and following investigations on how to fund that, an additional rate increase of 1% has been proposed. This brings the total rate increase to 5.3%.

Given that council excluding the airport is now at a break-even position, this position needs to be maintained, and it is expected that council including the airport will be at a modified breakeven within the next two years. Meeting this goal will be the main guide for Council financial decision making over the next 2-year period.

The items with the most direct impact caused by current geopolitical uncertainty is our waste contract as it is heavily fuel reliant, as well as direct fuel purchases. The committee felt that some allowance should be made regarding fuel as the belief is that fuel will remain high for quite some time and will have a significant impact particularly around waste and the depot. Going forward, alterations to service levels may also need to be considered with Veolia.

A starting point of a rate increase to bring the Council to a modified breakeven position in 2026/27 should be presented to the community in the first instance, for council inclusive of the airport, with the decisions that are consciously being made to minimise the impact to ratepayers itemised and the consequential events that will contribute to a deficit. This will provide transparency to the community around the extent of the financial challenges faced and how administration have worked hard to bring this rate increase down while still providing services.

The committee stressed that the messaging needs to be clear given that the Council is financially unsustainable, a rate increase has been recommended and yet amenities are also being increased at a time when cost pressures are high. The community need to be advised that either more money is drawn from the rate payer to achieve the amenity level that they expect or the service level needs to be reduced. Clear emphasis needs to be made that some flexibility will be required going forward given the volatility of the current geopolitical climate.

Moved Mr R Bria, seconded Mr D Powell

AC615-2026

That the Audit and Risk Committee:

1. Recommends the draft Rating Policy for adoption, noting that minor changes may be required due to rates adjustments after consultation, if any;
2. Notes the CEO Report on Financial Sustainability – June 2026 included within Annexure A, and
3. Recommends that Council notes the Audit and Risk Committee's discussion and the following specific advice in their consideration of the draft 2026/27 Annual Business Plan and Budget;
 - a) Draft Annual Business Plan to be presented to community presenting the actual rate rise to achieve a balanced operating result inclusive of airport, together with conscious decisions made by the Council to minimise the short-term impact on local rate payers with these decisions itemised for full transparency.
 - b) The budget should factor the expected increases in fuel costs particularly related to waste services and depot operations.
 - c) Council continues to make conscious decisions to address the impact of the airport on ongoing financial sustainability.

Carried

3. ITEMS FOR NOTING**3.1 WHS Council Playground Audit Remaining High Risk Items**

Moved Mr R Bria, seconded Mr D Powell

AC616-2026

The Audit and Risk Committee note the progress made towards mitigating the remaining high risk playground items and the intention to complete all outstanding mitigation works by 30 June 2026, and that the Committee will continue to receive progress updates upon request or where risk levels change.

Carried

3.2 Council Water Supply Charges

Moved Mr R Bria, seconded Mr D Powell

AC617-2026

That the Audit and Risk Committee note the information provided on recycled water charges.

Carried

4. CONFIDENTIAL ITEMS

4.1 Verbal Update on Council Business and City Developments – Confidential

Moved Mr D Powell, seconded Mr R Bria

AC618-2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Paul Day; General Manager Infrastructure and Jodie Perone; General Manager City Growth, for Agenda Item 4.1 – “*Verbal Update on Council Business and City Development*”.

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligations or duty.

Carried

Moved Mr R Bria, seconded Mr D Powell

AC619-2026

That the Audit and Risk Committee

1.

2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report at Item 4.1 “*Verbal Update on Council Business and City Developments*”, the Appendix to this report, and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force until February 2031, notwithstanding that it will be reviewed annually in February of each year.

Carried

Naomi Jarvis, Elisha Papoulis, Colin Sharp and Sandra Vigar returned to the meeting at 10.31am

4.2 Update from Council Representative – Confidential

This item was deferred in the absence of the Council Representative, Cr Peter Klobucar.

4.3 Meeting Review - Confidential

Moved Mr R Bria, seconded Mr D Powell

AC620-2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Paul Day; General Manager Infrastructure, Jodie Perone; General Manager City Growth, Grant Jennings; Manager Finance and Knowledge Management, Ellisha Papoulis; Manager People and Culture, Yusuf Khan; Manager Assets and Planning, Colin Sharp; Manager Operations, Sandra Vigar; Finance Coordinator and Naomi Jarvis; Executive Coordinator – Infrastructure for Agenda Item 4.3 – “*Meeting Review*”.

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will receive and consider matters that must be considered in confidence in order to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligations or duty.

Carried

Moved Mr D Powell, seconded Mr R Bria

AC621-2026

That the Audit and Risk Committee:

- 1.
2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report at Item 4.3 “*Meeting Review*”, the Appendix to this report, and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) or the Act be kept confidential and not available for public inspection to ensure that the Committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force until February 2031, notwithstanding that it will be reviewed annually in February of each year.

Carried

5. MOTIONS WITH NOTICE

Nil

6. MOTIONS WITHOUT NOTICE

Nil

7. DATE OF NEXT MEETING – Friday 22 May 2026

8. CLOSE – Meeting closed at 10.48am

Confirmed:

Presiding Member – May 2026

1. STANDING ITEMS

1.4 Business Arising from Previous Meetings – as at 22 May 2026

Audit and Risk Committee 19 June 2026

Meeting:

Author's Title: Lisette Symons - Executive Coordinator - Corporate

File No.: 0-159

Director: Corporate

Annexures

A – Business Arising from Previous Meetings

B – Meeting Schedule

C – Work Program

D – Policies Register

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

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Yes

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No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

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Yes

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No

PURPOSE

The purpose of this item is to bring to the Audit and Risk Committee's attention, Business Arising from previous meetings of the Audit and Risk Committee and internal/external reviews that remain outstanding.

BACKGROUND / DISCUSSION

Business arising for the Audit and Risk Committee has two sources:

- from previous meetings of the Audit and Risk Committee; and
- matters outstanding from internal/external reviews.

Also attached are:

- the Committee's Meeting Schedule, Work Program and
- Council's Policies and Procedures Register.

RECOMMENDATION

The Audit and Risk Committee:

1. Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.

“ANNEXURE A”

WHYALLA CITY COUNCIL

BUSINESS ARISING FROM AUDIT COMMITTEE MEETINGS

AS AT 19 June 2026

	Date of Meeting	Item	Responsible	Due Date	Status	Completed
1.	20 Feb 2026	2.4 Service Review Program <i>Provide a report demonstrating a detailed methodology with regard to delivering a Service Review Program internally.</i>	Chief Executive Officer	July 2026	In progress	25%

* Completed items to be removed are shaded

**WHYALLA CITY COUNCIL
AUDIT AND RISK COMMITTEE**

INDICATIVE MEETING SCHEDULE - 2026

Schedule of Ordinary Meetings	
Friday 20 February 2026 at 9.00am	
Friday 10 April 2026 at 9.00am	
Friday 22 May 2026 at 9.00am	In person, to include joint workshop with Council.
Friday 24 July 2026 at 9.00am	
Friday 9 October 2026 at 9.00am	

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2026



ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
5.4	Communication						
	Updates on relevant Council considerations since the last meeting	As required					Note
7.	Meetings						
7.8	Set annual schedule of meetings					X	Endorse
7.8	Annual joint workshop with Council – topics tbd					X	Endorse
7.10	Review Committee meeting procedures	X					Endorse
7.8	Develop Work Program for next 12 months	X				X	Endorse
9.3	Reporting						
	Audit and Risk Committee annual report to Council					X	Endorse
10.1	Strategic Management						
	Review ABP&B parameters and process for following year					X	Recommend
	Review draft ABP&B		X				Recommend
	Review ESCOSA material	Due 2027					Note
10.2	Financial and Prudential Management						
	Review annual financial statements					X	Recommend
	Review quarterly budget reports	X		3.1		X	Recommend
	Review budget vs actual					X	Recommend
	Review application for new loan	As required					Recommend
	Review council investments and loans					X	Recommend
	Review any prudential report	As required					Recommend
	Review any business case/unsolicited proposal	As required					Recommend
	Review financial/prudential policies:						
	-Asset Accounting	Due 2027					Recommend
	-Budget Management and Review			2.1			Recommend
	-Corporate Credit Card	Due 2027					Recommend
	-Entertainment and Hospitality				X		Recommend
	-Financial Hardship				X		Recommend
	-Financial Hardship – Retail Water Customers	X					Recommend
	-Disposal of Land and Other Assets	Due 2027					Recommend
	-Financial Internal Control	Due 2028					Recommend
	-Procurement Policy	Due 2027					Recommend
	-Prudential Management	Due 2027					Recommend
	-Rating Policy		X				Recommend
	-Retail Water – Pricing	X					Recommend
	-Treasury Management			2.1			Recommend
	-Unsolicited Proposals	Due 2027					Recommend
	-Water Connection and Billing	X					Recommend
	Quarterly Procurement Report	X		3.3	X	X	Note

AUDIT AND RISK COMMITTEE

WORK PROGRAM - 2026



ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
10.3	External Audit						
	Oversee any tender process undertaken and recommend to Council the appointment of the external auditor	Due 2030					Recommend
	Review annual audit plan	X					Recommend
	Receive interim management report			3.2			Note
	Receive end of year audit completion report					X	Note
	Meet with external auditor without management present					X	Note
10.4	Risk Management						
	Review Risk Management Policy, framework, appetite statements, strategic risk profile					X	Recommend
	Review emergency management and business continuity policies and plans				X		Recommend
	Cyber security review report				X		Note
	Information or annual report on Council insurances, claims					X	Note
	Monitor management's responses to and progress against any risk reports	As required					Note
10.5	Internal Audit, Internal Controls and Service Reviews						
	Review and monitor the program of service reviews			3.8		X	Note
	Review and monitor the program of internal audit assignments						
	• Budget Establishment, Monitoring and Management	Completed					Note
	• Strategic and Business Planning Process	Completed					Note
	• Asset Management	X					Note
	• Human Resource Planning and Management	X		3.5			Note
	• External Stakeholder Relationship Management			3.6		X	Note
	• Governance and Compliance	Due 2027					Note
	• ICT Infrastructure	Due 2027					Note
	Review internal financial controls – self assessment	X					Recommend
	Meet with service review and internal audit service provider without management present			X		X	Note
	Monitor management's responses to and progress against service review and internal audit reports	As required					Note

AUDIT AND RISK COMMITTEE

WORK PROGRAM - 2026



ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
11.1	Performance Assessment, Induction and Professional Development						
	Review performance assessment methodology				X		Endorse
	Receive and consider performance assessment report including any professional development needs					X	Endorse
	Review the Committee's Terms of Reference					X	Recommend
11.2	Ethics, Integrity and Culture						
	Receive and consider internal audit report on council's systems of control on ethical standards etc.				X		Recommend or note
	Organisational Leadership and Performance					X	Recommend
	People and Culture Metrics			3.4		X	Note
	Review Council's key controls/policies that go towards good public administration including (note that these policies are on a 4-year cycle of review)						
	-Behaviour Management	Due 2027					Recommend
	-Fraud and Corruption	Due 2027					Recommend
	-Complaints Handling	Due 2029					Recommend
	-Public Interest Disclosure	Due 2029					Recommend
	-Review of Council Decisions	Due 2029					Recommend
	-Code of Practice for Access to Meetings	Due 2027					Recommend
	-Privacy	Due 2027					Recommend
	-Council Members – Allowances and Benefits Reimbursement	Due 2027					Recommend
	Review CEO's annual report on the effectiveness of the organisation's culture					X	Note
	Review any reports received that go towards good public administration	As required					Recommend or note
	Other						
11.3	Propose and review the exercise of powers under section 130A of the Local Government Act 1999	As required					Recommend



Whyalla City Council POLICIES as of 28/05/2026 16:30

Policy Name	Policy type	Department Responsible for Review	Review cycle	Date last approved	Next review date	Date review to commence	Legislation or Policy Source	Comments	Audit and Risk Committee Review	ACTION
Asset Accounting	Discretionary	Finance	2 yearly	1-Aug-25	Aug-27		LG Act, s125		Yes	June Council Meeting
Asset Management Policy	Discretionary	Governance	4 yearly within the term of council	16-Mar-26	Mar-29		Local Government Act 1999 Work Health and Safety Act 2012		Yes	
Behavioural Management	Mandatory	Governance	Within 12 months of council election	28-Nov-22	By November 2027		LG Act, s262B	repealed Complaints Handling Policy under the Council Members Code of Conduct, adopted Behavioural Management Policy 28.11.22	Yes	
Behavioural Support Policy	Discretionary	Governance	Within 6 months of council election	19-Jun-23	Feb-27		LG Act, s75F		No	
Budget Management & Review	Mandatory	Finance	2 yearly	1-Aug-24	Aug-26		LG Act, s123		Yes	
Building & Swimming Pool Inspection	Mandatory	City Growth	4 yearly	1-Oct-25	Oct-29		PDI Act		No	
Caretaker Policy	Mandatory	Governance	4 yearly	20-Apr-26	Mar-30		LG (Elections) Act, s91A		No	
Cemetery Operations & Administration	Discretionary	Infrastructure	4 yearly	Oct-25	Nov-29		Burial & Cremations Act & Regulations		No	
Code of Practice – Access to Council and Committee Meeting Documents Policy	Mandatory	Governance	Within 12 months of council election	Jun-23	Apr-27		LG Act s92		No	
Code of Practice for Meeting Procedures	Discretionary	Governance	Once every financial year. Can only be made or altered by a vote of a two thirds majority of council.	30-Dec-23	30-Dec-27		Local Government (Procedures of Meetings) Regs, reg 6		No	
Code of Conduct - Volunteers	Discretionary	City Growth	3 Yearly	1-Oct-19	Nov-27		Local Government Act 1999		No	
Complaints Handling Procedure	Mandatory	Corporate Services	4 Yearly	21-Jun-21	12-May-25		Local Government Act 1999		No	
Corporate Credit Card Policy	Discretionary	Finance	3 yearly	1-Aug-24	Aug-27		LG Act, s125		Yes	
Corporate Credit Card Procedure	Discretionary	Finance	3 yearly	1-Aug-24	Aug-27		LG Act, s125		Yes	
Council Member Access to Information	Discretionary	Governance	4 yearly	1-Nov-25	Nov-29		LG Act, s61		No	
Council Member Professional Development Policy	Mandatory	Corporate Services	Within 12 months of council election	19-Jun-23	Jun-27		LG Act, s80A	Previously called Council Member Training & Development Policy	No	
Council Members – Allowances and Benefits Reimbursements	Discretionary	Governance	Within 12 months of council election	28-Nov-22	Nov-26		LG Act, s77(1)(b)		Yes	
Disposal of Land & Other Assets	Mandatory	Infrastructure	4 yearly	Jun-23	Mar-27		LG Act		Yes	
Election of Deputy Mayor	Discretionary	CEO	Within 12 months of council election	1-Nov-22	Nov-26		LG Act, s51(4)		No	
Emergency Management Policy	Discretionary	Corporate	4 yearly	3-Feb-26	Feb-30		LG Act		No	
Enforcement	Discretionary	Governance	4 yearly in each term of council	1-Jan-26	Jun-30		Regulatory Services		No	
Entertainment and Hospitality	Discretionary	Finance	3 yearly	21-Aug-23	Aug-26		LG Act, s125		Yes	
Financial Hardship	Mandatory	Finance	2 yearly	1-Aug-24	Aug-26		LG Act, s182		Yes	
Financial Hardship Policy – Retail Water Customers	Mandatory	Finance	Determined by Minister or 4 years, whichever is earlier	16-Mar-26	Mar-30		Water Industry Act, s37		Yes	
Financial Internal Control	Mandatory	Finance	2 yearly	1-Feb-24	Feb-28		LG Act, s125		Yes	
Fraud, Corruption, Misconduct & Maladministration Prevention	Discretionary	Governance	2-yearly	1-May-25	May-27		LG Act, s270	under review, to go to July 2023 Audit meeting then to Council for adoption	Yes	
Interaction between Council Members and Council Employees Policy	Discretionary	CEO	4 yearly	15-May-23	May-27		LG Act, s61, s62		No	
Internal Review of Council Decisions	Mandatory	Governance	4 yearly in each term of council	16-Mar-26	Jun-30		LG Act, s270		No	
Kerbside Collection Policy	Discretionary	Infrastructure	5 yearly	15-Aug-22	Mar-27		Infrastructure		No	
Library Customer Conditions of Use Policy	Discretionary	City Growth	4 yearly	1-Oct-23	Oct-27		City Growth		No	
Memorials Policy	Discretionary	City Growth	4 yearly	27-Jun-22	Jun-26		City Growth		No	
Mobile Vendors	Discretionary	Governance	4 yearly	May-26	May-30		Local Government Act, s 222		No	
							Local Government Land and Roads By-laws		No	
Order Making	Mandatory	Corporate Services	4 yearly in each term of council	16-Mar-26	Mar-30		LG Act, s259		No	
Outdoor Dining	Discretionary	Governance	4 yearly	1-Nov-25	Nov-29		Roads By-law		No	



Policy Management Framework	Discretionary	Governance	4 yearly	20-Feb-26	Nov-26				
Privacy Policy	Discretionary	Governance	4 yearly	15-May-23	May-27		State Records Act 1997, LG Act 1999, Freedom of Information Act 1991		Yes
Procurement & Contractor Management	Mandatory	Finance	4 yearly within 12 months of council election	Mar-25	Feb-27		Local Government Act, s 49	to sit alongside previous procurement policy for 6 months (updated policy is the only version on website)	Yes
Prudential Management	Mandatory	Finance	4 yearly within 12 months of council election	Aug-23	Aug-27		LG Act, s48		Yes
Public Consultation	Mandatory	Governance	Once within every term of Council and within 12 months after a general election	Apr-20	By November 2027		LG Act, s50	community engagement reforms have not yet been proclaimed for commencement, strong possibility that further extension until 31/12/23 will be required	No
Public Interest Disclosure Policy	Mandatory	Governance	4 yearly within the term of council	31-May-25	May-29		Public Interest Disclosure Act, s12(4)	replaces Whistleblower policy	Yes
Public Interest Disclosure Procedure	Mandatory	CEO	4 yearly in each term of council	31-May-25	May-29		Public Interest Disclosure Act, s12(4)	replaces Whistleblower procedure	Yes
Public Question Time	Discretionary	CEO	4 yearly	1-May-26	May-30		Local Government Act 1999		No
Rating	Mandatory	Finance	Annually	1-Jun-24	Jun-26		LG Act, Chapter 10		Yes
Records Management Policy	Discretionary	Corporate	4 yearly	27-Jun-22	Jun-26		State Records Act 1997, LG Act 1999, Freedom of Information Act 1991		No
Requests for Services Policy and Procedure	Mandatory	CEO	4 yearly in each term of council	1-Nov-25	Dec-29		LG Act, s s270		No
Retail Water – Pricing	Mandatory	Finance	4 yearly	16-Mar-26	Mar-30		Water Industry Act, Escosa's Regulatory Determination		Yes
Risk Management Policy	Mandatory	Corporate	2 yearly	23-Oct-25	Oct-27		Local Government Act 1999, Work Health and Safety Act 2012, Work Health and Safety Regulations 2011, Civil Liabilities Act 1936, State Records Act 1997		Yes
Risk Management Procedure	Mandatory	Corporate	2 yearly	22-Oct-25	Oct-27		Local Government Act 1999, Local Government (Financial Management Regulations) 2011, Work Health and Safety Act 2012, Work Health and Safety Regulations 2011, Civil Liabilities Act 1936, State Records Act 1997, Commonwealth Privacy Act 1988, Freedom of Information Act 1991		Yes
Roads and Public Place Naming	Mandatory	Infrastructure	4 yearly in each term of council	3-Feb-25	Feb-29		LG Act, s 219		No
Safe Environment Policy	Mandatory	City Growth	4 yearly	1-Feb-26	Feb-30		Child and Young People (Safety) Act 2017		No
Social Media Policy - Council Members	Discretionary	Executive	2 yearly	16-Mar-26	Mar-28		LG Act 1999		No
Supplementary Elections	Discretionary	CEO	4 yearly within 12 months of council election	15-May-23	By November 2027		LG Elections Act, s6(2)(b)(iv)		No
Treasury Management	Mandatory	Finance	2 yearly	May-24	May-26		LG Act, Chapter 8, Parts 2, 3 & 4		Yes
Unreasonable Customer Conduct Policy	Discretionary	CEO	2 yearly	Jun-25	Jun-27		LG Act 1999, WHS Act 2012, FoI Act 1991, ICAC Act 2012, Ombudsman Act 1972, PID Act 2018, Disability Inclusion Act 2018, Equal Opportunity Act 1984		No
Unsolicited Proposals Policy	Discretionary	Finance	4 yearly within 12 months of council election	Feb-23	Feb-27		LG Act, s49		Yes
Water Connection & Billing	Mandatory	Finance	4 yearly	16-Mar-26	Mar-30		Water Industry Act, Ministerial Direction		Yes
WELC - Enrolment Policy	Discretionary	City Growth	1 yearly	1-Nov-25	Nov-26		Child Care Centre		No
WELC – Payment of Fees Policy	Discretionary	City Growth	2 yearly	15-Sep-25	Sep-27		Child Care Centre		No

2. ITEMS FOR DECISION

2.1 Review of Finance Policies

Audit and Risk Committee: 19 June 2026

Author's Title: Grant Jennings
Manager Finance and Knowledge Management

File No.: 0-159

Directorate: Corporate

Annexures

A – Budget Management and Review Policy with track changes

B – Treasury Management Policy with track changes

C – Financial Hardship Policy with track changes

D – Debtor Management Procedure

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – not applicable

PURPOSE

To inform the Audit and Risk Committee of the minor changes made to a number of Financial Policies that were due for review.

SUMMARY

Minor changes are suggested to a number of financial policies, to ensure that they are reflective of current practice.

RECOMMENDATION

The Audit and Risk Committee:

1. recommends the updated Budget Management and Review Policy to Council for adoption;
2. recommends the updated Treasury Management Policy to Council for adoption;
3. recommends the updated Financial Hardship Policy to Council for adoption; and
4. notes the current Debtor Management Procedure, with this document not requiring Audit and Risk Committee review in the future, instead being internally reviewed as required.

2.1 Review of Finance Policies

REPORT

BACKGROUND

The Budget Management and Review Policy and Treasury Management Policy are due for review and while no major updates are considered to be required, some minor wording changes are suggested to better align them with current practice.

DISCUSSION

Budget Management and Review Policy

Refer **Annexure A – Budget Management and Review Policy with track changes**

The Budget Management and Review Policy is considered to be appropriate for managing Council's legislative requirements in relation to budget management and also sets out high level parameters for budget setting.

The suggested changes to the Budget Management and Review Policy focus around:

- Adding more information around the budget process, including outlining the community consultation activities, which are greater than the minimum standards set by the Act; and
- Adding extra clarity around the legislative timeframes for reports relating to reviewing Council's budget.

Treasury Management Policy

Refer **Annexure B – Treasury Management Policy with track changes**

The Treasury Management Policy is considered to align with contemporary practice and sets out a good balance between flexibility and oversight.

The only area of suggested change is to outline Council's strategy to complying with section 123(7a) of the Act, in which Council authorises borrowings in line with the adopted budget. The policy position aligns with current practice and allows administration to take advantage of the flexibility of Cash Advance Debentures to manage daily cash flow requirements in the most efficient manner.

Financial Hardship Policy and Debtor Management Procedure

Refer **Annexure C – Financial Hardship Policy with track changes**

No significant changes are proposed to the Financial Hardship Policy as it is operating as required. Some minor wording has been removed, as this is reflected in the Debtor Management Procedure, and isn't required here.

Refer Annexure D – Debtor Management Procedure

As part of their Interim Audit, Council's External Auditor identified that the Debt Management Procedure had not been officially updated for a number of years. Previously this procedure was reviewed and endorsed by the Audit Committee, however due to staff changes, this process was informally changed.

To formally deal with this, the procedure has been updated based on current practice and is presented to the Committee. The document feels very operational in nature, with all key items and delegations picked up in either the Financial Hardship Policy or Rating Policy. It is therefore proposed that moving forward, this document be managed internally.

However, if the Committee believes that there is value in reviewing this document, its review cycle will be linked to the Financial Hardship Policy moving forward.

Legislation

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Officer Direct or Indirect Interest – Nil

Risk Assessment

Reviewing Council's financial policies on a regular basis ensures that they reflect current best practice and are addressing the issues that they need to be.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication - Nil

Conclusion

Minor changes are suggested to a number of financial policies, to ensure that they are reflective of current practice.



Whyalla City Council

Budget Management and Review Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Officer	Manager Finance
Policy Adopted	~~August 2024~~ June 2026
Review Period	Two years
Last Reviewed	August 2024 ~~2~~
Next Review Date	~~August 2026~~ June 2028
Policy Version Number	~~8~~ 7
Applicable Legislation	Local Government Act 1999; Section 123 Local Government (Financial Management) Regulations 2011; Sections 7, 9 and 10
Related Documents	~~Annual Business Plan and Budget Process Procedure~~ ~~Budget Monitoring and Review Procedure~~ <u>Community Engagement Policy</u>
Public Consultation Required	No
Purpose	This policy covers the key principles to consider when developing the annual budget and when making subsequent amendments to, and measuring performance against that budget

1. Policy Objective

To provide clear direction to Management and staff in the management, review and reporting of performance against Council's adopted Budget and to increase the accountability of responsible officers by providing a framework to operate within in regard to the following:

- content, timing and process to be followed for development and presentation for adoption of the Annual Budget;
- content, timing and process to be followed for reporting to Council on its performance against budget;
- mechanism for the process of approval of budget variations;
- the scope and conditions associated with the Chief Executive Officer approving variations in activity before obtaining Council approval; and
- the process required to be followed and general guidelines in relation to carry forward of expenditure associated with projects included in the budget for the previous year.

2. Scope

This policy covers the presentation of Annual Budget documents and the review of documents for both Operating and Capital Budgets.

3. Policy Statement

3.1 Annual Budget

The Annual Business Plan & Budget will be developed through consultation with senior staff, Elected Members, the Audit & Risk Committee and the community and must be consistent with the objectives of Council's Strategic Management Plans.

The budget should be prepared with the aim of operating within the Key Financial Indicator targets within Council's Long Term Financial Plan. Where this is not achieved, commentary shall be included as to why this is the case and the impact on Council's long-term financial sustainability.

When commencing the Annual Business Plan & Budget process, Council will consider and adopt a list of parameters that will form the framework for development of the plan. These would be expected to cover at a minimum the following areas:

- Financial sustainability
- Rating increases
- Service delivery and standards
- Asset management
- Funding for new assets

The budget will be adopted in a format consistent with the Model Financial Statements.

The draft Annual Business Plan & Budget will be presented to Council's Audit & Risk Committee for feedback prior to being presented to Council to commence community consultation in line with Council's Community Engagement Policy.

Consultation will generally be undertaken from late April to mid-to-late May and Council will generally undertake the following activities as part of this process:

- Present a number of community information sessions.
- Allow for written feedback to be submitted in any format, including via a form on Council's website.
- Allow an hour at the May Council Meeting for members of the community to make a verbal submission, without needing to first register to do so.

Council will be presented with all the information collected during the community consultation period at a Special Council Meeting in late May or early June. At this meeting, Council will provide direction on the content of the Annual Business Plan and Budget they want developed, for consideration and adoption at the June Council Meeting.

3.2 Timing and Content of Budget Review Reporting

Each year, Council receives a total of four Budget Review Reports in the following formats.

3.2.1 2 x Budget Update Reports

These are to be prepared for the periods ending 30 September and 30 April each year and included in the Agenda of the Audit & Risk Committee and Ordinary Meeting of Council for review and adoption as soon as reasonably practical after these dates.

The first of these reports must be presented to Council on or after 30 September for the applicable financial year, but before the report required under section 3.2.2. The second of these reports must be presented to Council after the report required under section 3.2.2, but on or before 31 May for the applicable financial year.

–The report will include the following for both operating and capital activities:

- original budget;
- current amended budget;
- latest revised forecast of expected result for the year; and
- an explanation of any proposed budget variations that have not previously been approved.

This report will at a minimum present this information in a format consistent with the Uniform Presentation of Finances (~~Note 16 of the Financial Statements~~) but ideally will be in the format of a Budget Review, outlined below.

The impacts of the update on Council's Long Term Financial Plan will be discussed.

3.2.2 1 x Mid-year Budget Review Report

This is to be prepared for the period ending 31 January each year and included in the Agenda of the Audit & Risk Committee and Ordinary Meeting of Council for review and adoption as soon as reasonably practical after this date.

The report must be presented to Council on or after 30 November and on or before 15 March for the applicable financial year. In addition it must be presented to Council between the two reports required under section 3.2.1.

–The report will include the following:

- four principal financial statements showing a revised full year forecast compared to estimates set out in the original budget.
- revised forecast of key performance indicators compared with targets established in the original budget.
- original budget;
- current amended budget;
- latest revised forecast of expected result for the year; and
- an explanation of any proposed budget variations that have not previously been approved.

This report will present this information in a format consistent with the Model Financial Statements as well as the Uniform Presentation of Finances ~~(Note 16 of the Financial Statements)~~.

The impacts of the update on Council's Long Term Financial Plan will be discussed.

3.2.3 Report on Financial Results

This is an accountability document that compares audited information on financial results and compares this to results set out in the original budget for the previous year, including written explanation of material variances between actual and budgeted in the form of the Model Financial Statements as well as the Uniform Presentation of Finances ~~(Note 16 of the Financial Statements)~~. Variances in the Key Financial Indicators must also be presented.

This report is to be prepared and included in the Agenda of the Audit & Risk Committee and Ordinary Meeting of Council for review alongside the Audited Financial Statements.

3.3 Approval of Variations outside the Scope of the Budget

Council approval must be sought and obtained before commitments are made that would result in activity outside of the budget limits. Where administration can identify offsetting funds within the same business unit up to a limit of \$50,000, without impacting on service or project delivery, Council approval is not required.

In considering a request for a revision to its budget, Council will consider the impact the approval would have on the achievement of the targets for financial indicators established in Council's original budget as well as the Long Term Financial Plan. It will also consider the capacity to increase revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to off-set the variation and the merit of doing so.

Where circumstances warrant (e.g. for reasons of urgent necessity), the Chief Executive Officer may, authorise variations in activity. Whenever such variations are made, the following Budget Review or Update Report must include from the Chief Executive Officer a statement of changes and rationale for the decisions. Changes can only be those that do not:

- materially impact on the quantity, frequency, range and level of service previously provided for or implicitly intended in the original allocation; and
- impact on any explicit proposals Council has included in its Annual Business Plan or has otherwise publicly committed to and accommodated in its budget.

3.4 Guidelines in Relation to the Carry Forward of Expenditure included in the Budget for the Previous Financial Year

- Funding approved for non-project budget activity not completed at the end of any budget year is forfeited unless approval to carry-over the activity and remaining budget allocation is granted by Council either separately or as part of a budget update/review, except where that activity is covered by funding already received from an external source.
- Operational and Capital projects that will not commence in the year that they have been budgeted for, will be re-evaluated and considered against competing priorities and where warranted included in the budget for the following year. This will be completed as part of the final Budget Update of the year, unless known earlier.
- The scope and funding requirements of capital and operating activities that are underway or committed but not completed at the end of the financial year must be reviewed and considered for carry forward as part of the first annual Budget Update report.

3.5 A monthly budget report will be provided to Council, to show the financial position as at the end of the previous calendar month, identify budget trends or pressures that have been identified since the last budget update/review and to provide other items of interest from Council's finance processes, which may change from time to time.

- 3.6 Project Managers will report on all Council approved major projects, being those above \$1 million or of high community interest, as part of the monthly budget report, providing a full review of the status of projects, current expenditure and revenue and current stage of completion. All projects above \$100,000 will be reported on, on a quarterly basis.
- 3.7 Finance is responsible for providing timely and accurate budget reports to Directors and Managers each month to assist them to manage financial performance in accordance with Council's budget.
- 3.8 Budget savings arising as a result of works and other planned expenditure activities costing less than estimated shall be used in the first instance to offset any over-expenditure against related budget lines and thereafter to improve Council's operating result and reduce the amount of loan borrowings required.
- 3.9 In any year an increase in the scope of budgeted activities or the addition of new budget items or activities must be approved by Council.
- 3.10 Requests from the community for works and other activities not in the current budget may be added to the budget if of sufficient priority in accordance with 3.3 above. All other requests for additional works and activities will be considered during the planning process for the following year's budget.

4. Authority

Adopted by Council – ~~August 2024~~ June 2026

5. History

Version 7: adopted by Council – August 2024

Version 6: adopted by Council – August 2022

Version 5: adopted by Council – October 2020

Version 4: adopted by Council – September 2015

Version 3

Version 2: adopted by Council – October 2012

Version 1: adopted by Council – September 2008



Whyalla City Council

Treasury Management Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Officer	Finance Coordinator
Policy Adopted	~~May 2024~~ June 2026
Review Period	Two years
Last Reviewed	May 2024
Next Review Date	~~May 2026~~ June 2028
Policy Version Number	~~9~~ 8
Applicable Legislation	- Local Government Act 1999 Sections ~~44~~, ~~Section~~, 47, ~~Section~~ 122, - ~~123~~, ~~Section~~ 134, 135, 136, 139 and 140 - Local Government (Financial Management) Regulations 2011 5(1)
Related Documents	LGA Financial Sustainability (paper 15)
Public Consultation Required	No
Purpose	To provide clear direction to Management, staff and Council in relation to the treasury function.

1. Introduction

This policy underpins Councils' decision-making regarding the financing of its operations as documented in its Annual [Business Plan & Budget](#) and Long Term Financial Plan and associated projected and actual cash flow receipts and outlays.

Council is committed to operating in a financially sustainable manner and maintains a Long Term Financial Plan to assist it to determine affordable service levels and revenue raising needs. This Plan also provides projections of future cash flow availability and needs.

2. Policy Objective

This Treasury Management Policy establishes a decision framework to ensure that:

- funds are available as required to support approved outlays;
- interest rates and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed; and
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

3. Scope

The Treasury Management Policy covers the investments and borrowings of Council and is an important financial management tool that assists Councils' processes relating to borrowings and investments.

4. Definitions – Nil

5. Policy Statement

5.1 Treasury Management Strategy

Councils' operating and capital expenditure decisions are made on the basis of:

- identified community need and benefit relative to other expenditure options;
- cost-effectiveness of the proposed means of service delivery; and
- affordability of proposals having regard to Councils' long term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Councils' Net Financial Liabilities ratio).

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- maintain target ranges for its Net Financial Liabilities ratio;
- not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- borrow funds in accordance with the requirements set out in its adopted budget and Long Term Financial Plan; and
- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Council will hold all borrowings with the Local Government Finance Authority (LGFA), due to the following considerations:

- very competitive interest rates;
- paying a bonus each year on balances held with them therefore reducing the effective interest rate paid;
- easy and convenient processes for setting up new loan facilities;
- products that specifically cater to Local Government borrowing requirements; and
- profits are reinvested into the Local Government sector.

If at any time there are indications that the exclusive use of the LGFA is no longer of net benefit to Council, this policy will be reviewed.

Each year when adopting the Annual Business Plan & Budget, Council will pass a resolution in relation to its maximum borrowing level, to meet the requirements set out under section 123(7a) of the Act. The maximum level of borrowings will be set in line with Council existing loan facilities, which will normally be above the borrowing projections set out in the budget. This recognises that due to cash flow considerations, there may be times during the financial year where borrowings are higher than the projected balance at both 1 July and 30 June.

5.2 Interest Rate Risk Exposures

Council has a set range of limits for both fixed and variable interest rate borrowings in order to minimise net interest costs on average over the longer term and at the same time manage interest rate movement risk within acceptable limits.

5.2.1 Variable Interest Rate Borrowings

All borrowings will be established as Cash Advance Debenture facilities. These require interest-only payments and enables any amount of principal to be repaid or redrawn at call. This provides Council with access to liquidity when needed and flexibility to pay down borrowings with excess funds. As a default, these facilities are held at a floating variable rate which changes in line with official Reserve Bank of Australia rates.

5.2.2 Fixed Interest Rate Borrowings

To reduce Council's interest rate risk, approximately 50% of Council's total borrowings shall be fixed, with a target range of 30% to 70% over any financial year to allow for cash flow management. The decision to fix borrowings should be taken solely to remain with these targets, and not because fixed term rates are considered "low" at any particular time.

In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest borrowings, with no more than 50% of total fixed loans maturing in one financial year.

If circumstances exist where administration considers that these targets cannot or should not be met, this will be reported to the next meeting of the Audit & Risk Committee, including a remediation plan for moving back to target range.

When fixing interest rates Council will use its existing Cash Advance Debenture facilities, which provide the flexibility to convert a portion of the balance from variable to fixed interest rates for a nominated period. In this way, fixed interest loans will not require principle repayments and will covert back to variable at the end of the nominated period.

The decision to fix interest rates in line with this policy is delegated to the ~~Director-General Manager~~ Corporate Services for periods of up to 5 years. Fixing of interest rates greater than 5 years will be by a decision of Council, after review by the Audit & Risk Committee.

5.2.3 Investments

Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings, will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with “at call” market rates shall be kept at a level that is not greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged ‘at call’ or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments, the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Councils’ variable interest rate borrowing facility.

When investing funds, Council will select the investment type which delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

Council Management may, from time to time, invest surplus funds in:

- deposits with the Local Government Finance Authority; and/or
 - bank interest bearing deposits.
-

A report is to be provided to Council by the Chief Executive Officer covering all the aspects in Section 139(3) for any other investment that requires the specific approval of Council.

5.2.4 Reporting

At least once a year, Council shall receive a specific report regarding treasury management performance relative to this policy document via the Audit & Risk Committee. The report shall highlight:

- the quantum of fixed term investments, interest rates and maturity dates;
- the quantum of total borrowings, interest rates and maturity dates; and
- the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period along with key reasons for significant variances compared with the targets specified in this policy.

6. **Authority**

Adopted by Council – ~~1520 May 2024~~

7. **History**

Version 8 – adopted by Council 20 May 2024

Version 7 – adopted by Council 16 May 2022

Version 6 – adopted by Council 15 June 2020

Version 5 – adopted by Council 16 July 2018

Version 4 – adopted by Council 21 September 2015

Version 3 – adopted by Council 16 June 2014

Version 2 – adopted by Council May 2012

Version 1 – adopted by Council 19 July 2010

Investment Policy subsumed – 19 July 2010



Whyalla City Council

Financial Hardship Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Officer	Manager Finance
Policy Adopted	~~August 2024~~ June 2026
Review Period	Two years
Last Reviewed	August 2024 ~~2~~
Next Review Date	~~August 2026~~ June 2028
Policy Version Number	~~7~~ 6
Applicable Legislation	Local Government Act 1999 – Chapter 10
Related Documents	- Rating Policy - Debtor Management ~~Guidelines~~/Procedure
Public Consultation Required	No
Purpose	To outline the options that Council can provide to assist debtors who are experiencing genuine financial hardship whilst ensuring that Council can sufficiently funds services and comply with the Local Government Act 1999 (the "Act")

1. Introduction

Council depends on income from rates and fees and charges to fund services and facilities for the community. The purpose of this policy is to outline the options that Council can provide to assist debtors who are experiencing genuine financial hardship whilst ensuring that Council can sufficiently fund services and comply with the Local Government Act 1999 (the “Act”).

2. Policy Objective

Council undertakes recovery action for overdue rates and debtors to ensure the fair, equitable and consistent collection of outstanding monies in an effective and timely manner. Council will attempt to recover all costs, interest and expenses incurred by Council, while recognising the need to identify and consider individual cases of genuine financial hardship.

The Act allows Council to remit or defer a whole or part of any rate, charge, fine or interest if a person is suffering financial hardship. Council will only consider remittance of rate charges (excluding fines and interest) in exceptional circumstances.

Council aims to:

- provide the community with assistance and options to pay their accounts in a timely manner;
- provides equitable treatment to all members of the community; and
- maintain legislative compliance.

3. Scope

The Financial Hardship Policy is mainly concerned with the collection of General Rates, Waste Service Charges and ~~NRM~~Landscape Levy, but will consider flexible payment arrangements for other classes of Debtors, including but not limited to:

- General Debtors;
- Library Debtors;
- Animal Management Debtors;
- Child Care Centre Debtors; and
- Cemetery and Crematorium Debtors.

4. Definitions

Debtor – any person, corporation, business or other entity owing money to Council.

Provision for Doubtful Debts – an estimate of the amount of debt raised that is unlikely to be collected.

Financial Hardship – means a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary, but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.

A “~~deferment~~deferral” of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a notice requiring payment.

A “remission” removes the liability to pay and may be offered to include the whole or part of any interest or, where applicable, part of rates and charges. The variance between a remission and a deferral is that a deferral suspends payment for a period of time, whereas a remission permanently excuses payment.

Fine or interest – charges raised to overdue rates accounts in accordance with the Act.

Prescribed Percentage - the interest rate advised by the Local Government Finance Authority each financial year, in accordance with the Act.

5. Policy Statement

Council rates become overdue when not paid in accordance with a rate notice that is issued pursuant to Section 180 of the Act. Debtors become overdue when not paid in accordance with the terms on the invoice issued by Council. Councils’ standard payment terms for debtors is 30 days.

Council may apply fines and interest for rates that are overdue.

Council may commence its legal recovery process through a debt collection agent on all overdue amounts for rates or debtors.

Where Council incurs legal costs, the legal costs may be recoverable from the ratepayer or debtor.

Payment plans and flexible payment arrangements will be made available to ratepayers and debtors for overdue amounts upon application.

The Council may, at its discretion, under delegated authority, remit penalties and related expenses for late payment of rates and debtors, including where genuine hardship can be substantiated.

Writing-off debts will only be considered when all reasonable attempts have been made to recover the outstanding amount. Writing-off of rates (excluding fines and interest) requires a decision of Council, except where delegated to the Chief Executive Officer in relation to Financial Hardship.

Where rates on a property become more than three years in arrears, Council may commence proceedings to sell the property in accordance with Chapter 10, Section 184 of the Local Government Act 1999.

Assisting the Community

Where customers are experiencing difficulty in making payments, Council will make available flexible payment plans, including setting up Centrepay arrangements for customers receiving Centrelink payments. These flexible payment arrangements may be short term in nature to handle a cash flow shortage, with a maximum extension of one month, but any ongoing arrangements will need to be sufficient to cover current year rates over a 12-month period. Fines and interest raised under the Local Government Act 1999 will be waived only if the arrangement is made before the due date and the account was current.

It should be noted that customers are able to set up recurring BPAY payments through their online banking to make rate payments on periodic basis. Council staff can provide assistance in calculating the amount required to keep up to date with payment due dates.

Assessing Genuine Financial Hardship

Where the flexible arrangements provided above are not sufficient for the customers circumstances, Council will rely on the advice of an accredited financial counsellor or recognised welfare agency to identify if a person or persons/ ~~are~~is experiencing genuine financial hardship.

An individual who is experiencing financial hardship is someone who is identified by an accredited financial counsellor, or by a welfare agency as having the intention, but not the financial capacity, to make required payments in accordance with our payment terms.

There are two types of financial hardship: ongoing and temporary. Depending on the type of hardship being experienced, individuals will have different needs and will require different solutions.

Individuals who are identified as experiencing ongoing hardship are generally those on low or fixed incomes. These individuals may require ongoing assistance and management.

Individuals who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement.

Where we assess an individual's eligibility for hardship assistance, we will consider indicators including (but not limited to) whether the individual:

- is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card;
- is eligible for a South Australian Government concession;
- advises they have previously applied for emergency relief (irrespective of whether or not their application was successful);
- payment history indicates that they have had difficulty meeting their rates bills in the past; and
- through self-assessment, has identified their position regarding their ability to pay.

Customers can access free financial Counselling through a number of different organisations, including but not limited to;

Anglicare SA - Outreach Centre
34-36 Galpin St, Whyalla Stuart, 5608 SA
(08) 8649 3267

Centacare Catholic Country SA – Whyalla Office
28 Head St, Whyalla Stuart, 5608 SA
(08) 8645 8233

Affordable SA Helpline
1800 025 539

National Debt Hotline
1800 007 007

Customers will need to sign an Authority to Act form to allow the financial counsellor to deal with Council on their behalf.

Where an individual has been identified as experiencing financial hardship, we will work with the individual's financial counsellor to determine a hardship payment arrangement will take into account the customers current ability to pay. The arrangement may include the waiving of fines for late payment and will be one of the following payment options:

- payments lower than what is required to keep up with quarterly payments; or
- an extended period where payments are not required.

It should be noted that any arrears are still payable in the future.

For customers who receive a Centrelink payment, approved hardship payment arrangements can be set up through Centrepay if requested. Council will assist with this process.

Any arrangements made on the recommendation of a financial counsellor will need to be reviewed after 12 months, with a further recommendation being required to extend the arrangement.

Senior Postponement of Rates

In accordance with provisions of Section 182A of the *Local Government Act 1999*, persons who hold a current Seniors Card may apply to postpone any rate amount in excess of \$500 per annum (\$125 per quarter) ~~less any concession entitlement for their principal place of residence. -Conditions apply as per the Act.~~ Interest will accrue at the prescribed rate on postponed balances, with the accrued debt being payable on the disposal or sale of the property. Interest on postponed rates will be levied in accordance with the Act.

~~Seniors Card holders do not have to prove financial hardship to access this provision, but do need to meet the following requirements:~~

- ~~• the rates are payable on land that is the principal place of residence of the applicant; and~~
- ~~• the land is owned by—
 - ~~(i) the applicant; or~~
 - ~~(ii) the applicant and his or her spouse or domestic partner (and no other person) has an interest (as owner) in the land.~~~~

Remission of Rates

Remission of rates (excluding fines and interest) will only be considered in extenuating circumstances relating to Financial Hardship. Delegation for decisions on remission of rates for up to two financial years is delegated to the Chief Executive Officer and shall not be sub-delegated. Any remission of rates other than this will be presented to Council for consideration in a confidential report.

Any remission is a one-off remission in response to circumstances presented at the time.

Failure to Meet Payment Arrangement

Customers on a payment arrangement should contact Council if at any time they are not able to meet the conditions of the arrangement, to make alternative plans. If the conditions of a payment arrangement are not met, Council will proceed with normal debt collection processes.

6. Delegations

Council acknowledges that the Chief Executive Officer may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

Contact details for further information

Phone: 08 8640 3444

~~Fax: 08 8569 1931~~

Email: council@whyalla.sa.gov.au

Where an individual believes that the Council has failed to properly apply this policy, it should raise the matter with the Council. In the first instance, contact our Rates Officer on 8640 3444 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they can write and explain the nature of their concern to:

The Chief Executive Officer
Whyalla City Council
PO Box 126
WHYALLA SA 5600

Availability of Policy

This policy will be available for inspection at Council's Principal Office as per the contact details above during ordinary business hours and on the Council's web-site www.whyalla.sa.gov.au.

Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

7. Authority

Adopted by Council – ~~August 2024~~June 2026



Whyalla City Council

Debtor Management Procedure	
Type	Financial
GDS Category	Financial Management – Internal
Responsible Officer	Finance Coordinator
Procedure Adopted	June 2026
Review Period	Two years
Last Reviewed	June 2015
Next Review Date	June 2028
Policy Version Number	4
Applicable Legislation	Local Government Act 1999
Related Documents	- Financial Hardship Policy - Rating Policy
Public Consultation Required	No
Purpose	The process to be followed for the collection of outstanding amounts owed to Council by all classes of debtors.

1. Activity Definition

This procedure covers the process to be followed for the collection of outstanding amounts owed to Council by all classes of debtors.

3. Training / Competencies Required

Access and understanding of Debt Management Portal

Basic understanding of process for sale of land for non-payment of rates (s184)

4. Work Method Requirements

At the end of each month, outstanding debtors for all classes of debtors are to be reviewed and action taken in accordance with requirements below.

4.1 General Debtors

At the end of each month, statements are produced and sorted into categories depending upon period outstanding (30, 60 and 90 Days). Each account is reviewed, if a previous payment arrangement is in place and being adhered to, the statement is sent to the recipient.

4.1.1 30 Day Category

These are stamped “Friendly Reminder” and forwarded to the recipient.

4.1.2 60 Day Category

A cover letter is provided indicating that the account is overdue and requesting that the account be settled within 14 days, or alternatively that payment arrangement be made to satisfy the debt over time.

4.1.3 90 Days

A cover letter is provided indicating that the account is overdue and requesting that the account be settled within 7 days. If the account remains outstanding at the next review, accounts of a value over \$500 are sent to Council’s Debt Collector for further processing.

Amounts under \$500 are continually reviewed and remain part of the internal collection processes.

4.1.4 Doubtful Debts

Where factors make it more likely than not that a debt will not be recoverable, such as bankruptcy, administration or a debtor unable to be located, it will be recognised as a doubtful debt.

Doubtful debts will be reviewed at least annually, and where it becomes highly unlikely that it will be recovered, a recommendation will be made to write the debt off. Write off of debts under \$10,000 can be approved by the Chief Executive Officer, higher amounts need a decision of Council.

Where circumstances change in the future and a debt previously written off is able to be recovered, it will be reinstated.

4.2 **Rate Debtors**

Arrangements can be made for ratepayers to pay their rates on a periodic basis throughout the year. Where this arrangement is put in place before rates are overdue, and where the total annual rates will be paid in full by the due date of the final quarter installment, fines and interest will be waived.

If a ratepayer seeks an extension of time to pay a quarterly installment prior to the due date, no fines and/or interest will be levied where the extension is no greater than one month, subject to payments being received as arranged. If the arrangement is not met; fines and/or interest are then levied from the date on which the rates fell due.

If a quarterly installment is not paid by the due date, arrangements can be made for the ratepayer to pay on a periodic basis to bring the account up-to-date, however fines and interest will apply.

If a ratepayer seeks an extension of time after the due date and fines/interest being levied, fines and/or interest will be levied until the account is up to date.

Fines and interest will be raised after a three business day grace period after the date on which rates fall due.

Deceased estates will be given a period of 12 months without fines and interest being applied, to allow time for probate to be granted.

Where notice is given that a property sale will settle within one month after rates are due, fines and interest will not be levied for late payment, subject to settlement taking place as communicated and funds being transferred in due course.

4.2.1 Overdue Rates under \$500 or one quarter or less in arrears

After fines and interest raised, overdue notice sent requiring payment within 14 days.

4.2.2 Overdue rates over \$500 and greater than one quarter in arrears

After fines and interest raised, overdue notice sent requiring payment within 14 days.

After expiry of the above date, if no payment or arrangement made to pay, the account is sent to the Debt Collector who will issue a final demand letter.

If no response received, overdue amount updated with Debt Collector and legal action commences.

If part payment received but no arrangement to pay in place, overdue amount updated with Debt Collector and another letter sent from Debt Collector. If no response received, overdue amount updated with Debt Collector and legal action commences.

If arrangement made to pay, payments are monitored. If arrangement goes into arrears letter sent from Debt Collector. If arrangement goes into arrears a 2nd time, overdue amount updated with Debt Collector and legal action commences.

Legal Action may include Minor Civil Action Claim, Investigation Summons, Examination Summons, Warrant of Arrest, or any other relevant steps.

4.2.3 Rates 3 Years or More Overdue

Properties that are over three years in arrears and do not have an agreed payment arrangement in place will be sent a letter outlining Council's power to sell their property under s184 of the *Local Government Act 1999* (S184 Process). This letter will also be sent to any mortgagee listed on the title.

For properties that are a primary place of residence, Council will work closely with the ratepayer to find a suitable arrangement to avoid commencing the s184 Process, including allowing for time for a financial hardship arrangement to be put in place.

For properties that are investment or non-residential in nature, a more significant payment arrangement will be required to avoid the S184 Process. This may include a significant up front payment and/or a plan to clear the arrears within 12 months.

If no action occurs due to this letter, the S184 Process will be officially commenced, with a letter to be sent via Registered Post.

Where the registered post is not accepted, a notice will be placed on the property and in the Advertiser, outlining that the debt must be paid within 30 days.

After this time a date for a public auction will be organised and advertised, with at least Advertiser listings required.

At any point during the process prior to the auction, the ratepayer can make an arrangement to cease the process. Arrangements will be considered differently for primary places of residences compared to other properties, as outlined above.

Council will reserve its right to recommence the S184 Process if the payment arrangement is not adhered to, up until such time as the arrears provided in the official notice has been cleared.

4.2.4 Hardship

Application for financial hardship assistance will be managed in line with Council's adopted Financial Hardship Policy, including application of postponement of rates under s182 of the *Local Government Act 1999*.

All financial hardship arrangements will be reviewed on an annual basis.

Remission of rates will only be considered in extenuating circumstances, due to temporary hardship. The Chief Executive Officer has the delegation to remit up to two years of rates, with a maximum value of \$10,000. All amounts greater than this must be approved by Council.

4.2.5 Senior Postponement

In accordance with provisions of s182A of the *Local Government Act 1999*, persons who hold a current Seniors Card may apply to postpone any rate amount in excess of \$500 per annum (\$125 per quarter). Interest will accrue at the prescribed rate on postponed balances, with the accrued debt being payable on the disposal or sale of the property. Interest on postponed rates will be levied in accordance with the Act.

Seniors Card holders need to meet the following requirements to access this relief:

- the rates are payable on land that is the principal place of residence of the applicant; and
- the land is owned by—
 - (i) the applicant; or
 - (ii) the applicant and his or her spouse or domestic partner (and no other person) has an interest (as owner) in the land.

Any balance postponed may be paid by the ratepayer at any time.

4.2.6 Remission of Fines and Interest

Properties will be exempt from fines and interest where they have made suitable payment arrangements prior to the due date, in line with the parameters set out in 4.2. Exemptions will also apply to deceased estates and in certain circumstances to financial hardship arrangements.

Fines and interest raised will be remitted in circumstances where they occurred due to circumstances beyond the ratepayers control, such as major bank outages, or Council's systems being unavailable. They will also be remitted in circumstances where the funds were held by Council prior to the due date, but were not allocated due to the ratepayer providing incorrect details (i.e. BPAY Reference).

Consideration will be given to waiving a fine where late payment is the fault of the ratepayer, where no fine has been remitted for the previous 4 years. No interest will be waived in these circumstances.

5. **Reporting Performance**

The Monthly Budget Report to Council includes data on:

- Debtors raised and paid for the month
- Debtors outstanding value
- Balance of Doubtful Debts
- Total Overdue rates value
- Overdue rates aged by financial year
- Comparative overdue rates from 12 months ago

6. **Authority**

Endorsed by Audit & Risk Committee – June 2026

7. **History**

Version 3 – endorsed by Audit Committee – June 2015

Version 1 – endorsed by Audit Committee – November 2012

2. ITEMS FOR DECISION

2.2 Close Loan Facility

Audit and Risk Committee 19 June 2026

Author's Title: Grant Jennings
Manager Finance and Knowledge Management

File No.: 0-159

Director: Corporate

Annexures:

A – LGFA Request

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ Yes

☒ No

☐ Yes

☒ No

Reason – Not applicable

PURPOSE

To consider a request to close one of Council's borrowing facilities approximately 18 months early.

SUMMARY

In April, the Local Government Finance Authority wrote to Council requesting that Council consider closing Cash Advance Debenture 141. Based on current Long Term Financial Plan (LTFP) projections, it is recommended that this request be approved when it expires.

RECOMMENDATION

The Audit and Risk Committee recommend to Council to organise the closing of Cash Advance Debenture 141 held with the Local Government Finance Authority.

2.3 Close Loan Facility

REPORT

BACKGROUND

Council currently has three Cash Advance Debenture (CAD) borrowing facilities open with the Local Government Finance Authority (LGFA), as detailed in the following table:

CAD #	Loan Limit	Loan Length	End Date
139	\$14,000,000	10 years	15/07/2030
140	\$5,000,000	10 years	15/12/2031
141	\$7,000,000	4 years	15/01/2031
	\$26,000,000		

DISCUSSION

The last loan approved by Council was CAD 141, which commenced in April 2024. This loan with a value of \$7 million, replaced an expiring CAD with the same value. At the time this was approved in mid-2023, Council's LTFP projected that loan balances would peak at \$28.5 million in the 2024/25 financial year, with the possibility that a further loan would be required to increase Council's \$26 million borrowing capacity if that projection remained in place.

Since that time, Council's LTFP has changed significantly. Firstly, Council reviewed and reduced the annual allocation for new capital projects by 75%, from around \$4 million per annum to \$1 million per annum. Additionally, Council was able to negotiate a large strategic land sale to the State Government. Due to these factors, and other less material ones, the LTFP now predicts that loan balances will peak at \$10.5 million in 2027/28.

Refer **Annexure A – LGFA Request**

In April, the LGFA wrote to Council requesting that Council consider closing CAD 141. Each Council supplies the LGFA with its updated LTFP projections each year, and so the LGFA could see that based on Council's current borrowing requirements, there was no longer a need for this facility. There are no direct costs to Council of having the facility sitting unused. However, it does increase the LGFA's overall wholesale borrowing costs, as they need to have the capacity to lend these funds to Council at less than 1 hours' notice. As the LGFA have shown over time that they are willing to pass on lower interest rates to council whenever they can, Council has an interest in considering this request.

It should be noted that Council requested this loan facility for a period of 10 years. However, at the time, Council was projecting operating deficits over all 10 years of the LTFP and the LGFA was unwilling to approve this term without some covenants being put in place. It was agreed that they would approve a 4-year term without conditions, which was suitable based on the cash flow projections at that time. Council's LTFP projections have improved significantly in the meantime and so it is not expected that Council will have any issue securing unconditional loan approval in the future years if required.

Based on current LTFP projections, it is recommended that the LGFA's request to close CAD 141 be approved. Council should not need to apply for any further loan facilities until at least 2030, when CAD 139 expires.

Financial Implications

There are no direct financial implications relating to this decision. Decisions relating to required borrowing levels are made during budget and budget review processes.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.1 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Legislation

Under s44(3)(c) of the *Local Government Act 1999*, Council cannot delegate decision in relation to loan facilities.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The financial risk of closing the borrowing facility is considered low, as Council's loan borrowings are projected to peak \$8.5 million below the remaining borrowing capacity. As there is only approximately 18 months left before CAD 141 expires anyway, this is more than enough buffer for any changes in projections.

Social Considerations – Nil

Community Engagement

Community engagement is not required for loan facilities. Council's Annual Budget is based on extensive community engagement for both the Annual Budget and the Long-Term Financial Plan, which include projections of Council's loan borrowings.

Environmental Implications – Nil

Communication – Not applicable

Conclusion

In April, the LGFA wrote to Council requesting that Council consider closing down CAD 141. Based on current LTFP projections, it is recommended that this request be approved.

9 April 2026

Mr. Justin Commons
Chief Executive Officer
Corporation of the City of Whyalla

via email: justin.common@whyalla.sa.gov.au

Dear Justin

Re: Review of Existing Loan Facilities

Following our recent meeting last month, we write to recommend that Corporation of the City of Whyalla (CoW) consider reviewing its current loan facilities with the Local Government Finance Authority (LGFA), with a view to reducing excess borrowing capacity that is not expected to be required under the adopted Long-Term Financial Plan (LTFP) for FY27–36.

The Council's LTFP forecasts peak debt of approximately \$11.8 million, while total approved borrowing facilities with the LGFA are \$26 million. As at the date of this letter, over \$18 million of the available facilities remain undrawn.

Given this surplus, CoW may wish to consider the option of terminating one of the existing facilities, specifically, Cash Advance Debenture (CAD) 141, a facility of \$7 million expiring in January 2028, which remains undrawn.

By terminating this facility, the Council will retain access to approximately \$19 million in borrowings, which is more than sufficient to cover the forecasted peak debt in the LTFP and provides a prudent buffer for contingencies or future needs. This approach also supports sound financial management principles by reducing unnecessary exposure while maintaining appropriate funding flexibility.

Can this letter please be provided to your Council and Audit & Risk Committee.

If you would like to discuss this further, please don't hesitate to contact me.

Yours sincerely



Davin Lambert
CHIEF EXECUTIVE OFFICER

Cc CoW Finance Manager, Grant Jennings (grant.jennings@whyalla.sa.gov.au)

2. ITEMS FOR DECISION

2.3 CHANGE OF DATE FOR JULY AUDIT AND RISK COMMITTEE MEETING

Audit and Risk 12 June 2026

Committee:

Author's Title: Sue King – General Manager
Corporate Services

File No.: 0-159

Directorate: Corporate

Annexures:

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – N/A

Annexure A – Terms of Reference

Annexure B – Meeting Schedule

PURPOSE

To seek endorsement from the Audit and Risk Committee to change the date of the July Audit and Risk Committee Meeting.

SUMMARY

As per the Terms of Reference (refer Annexure A) for the Audit and Risk Committee:

7.1 The Committee shall hold at least one meeting in each quarter.

The Committee endorsed the Meeting Schedule (refer Annexure B) for 2026 at the October 2025 meeting; however, due to conflicting schedules of Members of the Committee and Executive Leadership, the meeting scheduled for May 22 was postponed to June 12. Given that the next scheduled meeting is July 24, it is proposed that this meeting now occur in August, allowing sufficient preparation time for administration whilst also fulfilling the Terms of Reference.

RECOMMENDATION

The Audit and Risk Committee endorse the rescheduling of the July 24 meeting to one of the following dates:

- a) August 14, 2026
- b) August 28, 2026

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



1. ESTABLISHMENT

- 1.1** The Audit and Risk Committee (the Committee) is a formally constituted Committee of Council pursuant to sections [41](#) and [126](#) of the *Local Government Act 1999* and operates as an independent and objective advisory Committee to Council.

2. OBJECTIVES

- 2.1** The primary objective of the Committee is to add value through the provision of independent advice and assurance to Council on accounting, financial management, internal controls, risk management and governance matters.
- 2.2** It will ensure that the resources of the City of Whyalla are being optimised and will assist Council accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial and risk management, control, and governance frameworks and policies.
- 2.3** As part of Council's governance obligations to the community, Council has constituted the Committee to facilitate:
- 2.3.1. Oversight of relevant activities to facilitate achieving City of Whyalla's objectives.
 - 2.3.2. Enhancing the credibility and objectivity of internal and external financial reporting.
 - 2.3.3. Effective management of risk and the protection of Council assets.
 - 2.3.4. Compliance with laws and regulations as well as use of best practice guidelines.
 - 2.3.5. The effectiveness of internal audit and maintaining a reliable system of internal control.
 - 2.3.6. The provision of an effective means of communication between the external auditor, any internal audit function, management/administration, and Council.
 - 2.3.7. The continuous development and review of Council's ethical practices.

3. COMPOSITION

- 3.1** The Committee will comprise:
- 3.1.1. Three independent persons who are not members of any council.
 - 3.1.2.1 Council Member (who is not the Mayor).
- 3.2** Members of the Committee (when considered as a whole) will have skills, knowledge and experience in financial management, risk management and governance.
- 3.3** The Chair of the Committee will be appointed by Council from one of the three (3) independent members.
- 3.4** In the absence of the Chair, an independent member will act as Chair.
- 3.5** The Chief Executive Officer will ensure appropriate support is provided to Committee. This resource will ordinarily be the Council's General Manager Corporate or their designate.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



4. INDEPENDENT MEMBERS

- 4.1 The term of an independent member will be 4 years or as otherwise determined by Council to facilitate appointments being made on a rotational basis, which in turn will ensure succession planning and continuity of membership despite changes to Council's elected representative.
- 4.2 Council may resolve to re-appoint an independent member.
- 4.3 If Council proposes to remove an independent member from the Committee, it must give written notice to the independent member of its intention to do so and provide that independent member with the opportunity to be heard at a Council meeting which is open to the public if that independent member so requests.
- 4.4 Remuneration will be paid to each independent member of the Committee, to be set by Council from time to time.
- 4.5 At a minimum, the remuneration paid to the independent member will be reviewed within 12 months from the date of a Council (periodic) election.

5. COUNCIL MEMBER REPRESENTATIVE

- 5.1 The term of the Council Member representative will be as determined by Council resolution.
- 5.2 Council may appoint up to two proxies for the Council Member representative to attend meetings in the event the Council Member representative is unavailable.
- 5.3 No additional allowance will be paid to the Council Member representative (or proxy) over and above the allowance already received by the Council Member.
- 5.4 The Council Member representative will update the Committee on relevant Council considerations since the last meeting, will raise matters (within the scope of the Committee's Terms of Reference) with the Committee on behalf of the Council, and act as a conduit of information between the Council and the Committee, and the Committee and Council.
- 5.5 The Council Member representative will provide a verbal report to Council on the key matters and recommendations from the Committee meeting when the minutes and/or Committee recommendation reports are presented to Council for adoption.

6. AUTHORITY

- 6.1 The Committee reports to Council and provides appropriate advice and recommendations on matters relevant to the Committee's Terms of Reference.
- 6.2 The ability of the Committee to operate in a manner that adds value and maintain independent judgment is vital. In doing so, the Committee:
 - 6.2.1 Has the authority to conduct or direct any investigation (see also Clause 11.3.1 of this Terms of Reference) required to fulfil its responsibilities including, through the Chief Executive Officer, the authority to seek any information it requires from Council employees.
 - 6.2.2 Through the Chief Executive Officer, may request any information or request external resources such as legal, accounting or other advisers, consultants or experts be engaged as it considers necessary from time to time in the performance of its duties.



AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



6.2.3. May make recommendations to the Council as it sees fit.

6.3 Council or the Chief Executive Officer may refer any matter to the Committee within its Terms of Reference.

7. MEETINGS

7.1 The Committee shall hold at least one meeting in each quarter.

7.2 Special meetings of the Committee must be convened at the request of the Chair or at least two members of the Committee.

7.3 A quorum for a meeting of the Committee shall be three (3), being at least two (2) independent members and the Council Member representative or their proxy.

7.4 Council members may attend any meeting of the Committee.

7.5 The Chief Executive Officer or his delegate will attend all meetings except when the Committee is meeting on a confidential basis with Council's internal or external auditor.

7.6 Representatives of Council's external auditor will be invited to attend all meetings at their discretion but must attend meetings at which there will be consideration of the annual financial report and results of the external audit.

7.7 The Committee will meet with both the external auditor and internal auditor (if appointed) without management present at least once per year.

7.8 An annual schedule of meetings and work program will be developed and agreed to by the Committee members. The schedule of meetings may include at least one joint workshop with the Council and the Committee.

7.9 The time and place for the conduct of meetings will be determined by the Committee provided that all meetings will be held in a public environment and within a City of Whyalla building except where the meeting shall be virtual.

7.10 The Committee may consider and determine its own meeting practice, processes and procedures within the parameters of the Local Government Act 1999 and the [Local Government \(Procedures at Meetings\) Regulations 2000](#).

8. MINUTES OF MEETINGS

8.1 Minutes will be kept of all Committee meetings including a record of any business arising and progress against recommendations made during internal / external reviews.

8.2 Within 72 hours of a Committee meeting, the Chairperson will receive and review the draft minutes. Once reviewed by the Chairperson, the draft minutes will be circulated to Committee members within five days after a meeting of the Committee for comment.

8.3 The minutes will be forwarded to the next General Council meeting that is not being held in the same week as the Committee meeting.

8.4 The minutes will be confirmed at the next Committee meeting. On the confirmation of the minutes, the Chairperson will initial each page and place their signature and the date of confirmation at the foot of the last page of the minutes.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



9. REPORTING

- 9.1. A copy of the agenda and reports will be forwarded to the Committee at least five (5) days before the committee meeting and will also be forwarded to all Council Members for information prior to the conduct of the Committee meeting.
- 9.2 Where the Committee makes a recommendation to Council, the matter will be listed as a separate agenda item for consideration by Council at the next General Council meeting that is not being held in the same week as the Committee meeting.
- 9.3 The Committee shall report annually to the Council, summarising the activities of the Committee during the previous year.
- 9.4 The Committee's annual report will be included in the Council's annual report for the period to which it relates.

10. FUNCTIONS OF THE COMMITTEE

The Committee will meet its objectives and discharge its duties through the following activities.

10.1 Strategic Management

- 10.1.1 Review Council's strategic management plans, long term financial plan, and annual business plans and budget prior to presentation to Council and comment on matters including but not limited to:
 - the assumptions underpinning the plans (including rating / funding considerations)
 - the consistency between plans
 - the adequacy of the plans in the context of maintaining financial sustainability
 - the efficiency, effectiveness and sustainability of significant programs and activities
 - managing, deploying, improving and developing the resources available to Council.
- 10.1.2 Review Council's material presented to ESCOSA and then review and provide comment on ESCOSA's advice to Council regarding Council's financial sustainability.

10.2 Financial and Prudential Management

- 10.2.1 Consider and review Council's annual financial statements (and any significant amendment of the financial statements previously considered by the Committee prior to adoption by Council) to ensure they present fairly the state of affairs of Council. The Committee will include in its considerations:
 - (a) compliance with accounting standards, policies and practices and any other reporting requirements, and any changes in these since the last annual financial statement were compiled;
 - (b) the process used to make significant accounting estimates;
 - (c) significant adjustments to the financial reports (if any) arising from the external audit process;

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



- (d) significant variance in the financial statements from prior years;
 - (e) trends which have become evident from the annual financial statements over the last 5 year period;
 - (f) management representations attesting to the accuracy of the end of year financial statements and any significant matters evident from these statements; and
 - (g) the external auditor's summary management report detailing the results and significant findings from the audit and management responses.
- 10.2.2 Recommend adoption of the annual financial statements to Council after making the above enquiries and if considered appropriate.
- 10.2.3 Review and monitor Quarterly Budget Review Reports (required under S9 of the Local Government (Financial Management) Regulations 2011 – Statutory reports to Council).
- 10.2.4 Review any prudential report obtained by Council under section 48(1) of the Local Government Act 1999.
- 10.2.5 Review recommendations contained in business cases or unsolicited proposals in respect of significant activities, business/commercial activities or major projects. Such reviews will have regard to Council's various policies and the requirements of Section 48 of the Local Government Act 1999, which relates to prudential requirements for certain activities.

10.3. External Audit

- 10.3.1 Oversee any tender process undertaken and recommend to Council the appointment of the external auditor.
- 10.3.2 Oversee:
- (a) the adequacy of the terms of arrangement and engagement and audit fees for the external auditor prior to the commencement of each audit;
 - (b) the independence and objectivity of the external auditor and its compliance with all relevant requirements; and
 - (c) the adequacy of the external auditor's proposed audit plan (and any additional agreed upon procedures), approach and scope, including materiality levels.
- 10.3.3 Meet with the external auditor without the presence of management at least once each year to discuss the external audit process and outcomes.
- 10.3.4 Liaise with Council's auditor in accordance with any requirements prescribed by the regulations.
- 10.3.5 If appropriate, recommend to the Council that the external auditor or another appropriately qualified person examine and report on any matter related to financial management, risk management, internal controls and governance processes that would not otherwise be addressed as part of the annual external audit.

AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE



- 10.3.6 Monitor and evaluate management's responses to the findings and recommendations of the external auditor, including progress against agreed actions and the implementation of improvements.

10.4. Risk Management

- 10.4.1 Review and evaluate the effectiveness of policies and systems established and maintained for the identification, assessment, monitoring, management, and review of strategic, financial, and operational risks on a regular basis. This includes providing comment to Council on the adequacy of Council's risk framework and policies, risk appetite statements and management of risks.
- 10.4.2 At least annually, review Council's risk exposure and the adequacy of Council's emergency management, business continuity, strategic and operational risk registers and mitigation measures.
- 10.4.3 Receive reports on any risk, governance or integrity audits undertaken or summary reports made on Council and its activities. Such reports may include, but are not limited to cyber security, public liability, WHS, Ombudsman/ICAC and go towards ensuring standards of good public administration are achieved and maintained.
- 10.4.4 Monitor and evaluate management's responses to the findings and recommendations of risk reports, including progress against agreed actions and the implementation of improvements

10.5. Internal Audit, Internal Controls and Service Reviews

- 10.5.1 If relevant, oversee Council's engagement of an internal audit and service review service provider(s).
- 10.5.2 Review and monitor the program and scope of the service reviews, including whether the program systematically tests community expectations and the ongoing capacity of Council to deliver the service within acceptable financial sustainability parameters or in other words, the efficiency and effectiveness of services.
- 10.5.3 Review and monitor the outcomes of service reviews and their recommendations. Make recommendations to Council as to service provision and service level standards based on community expectations and the ongoing financial sustainability of Council or in other words, the efficiency and effectiveness of services.
- 10.5.4 Review and monitor the program and scope of internal audit activities, taking into account Council's risk profile.
- 10.5.5 Monitor and evaluate the adequacy of Council's internal controls over significant risk, including financial and non-financial management control systems, revenue, expenditure, assets and liability activities.
- 10.5.6 Monitor and evaluate Council's compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.
- 10.5.7 Oversee the facilitation between the service review / internal audit service provider and external auditor to promote compatibility, to the extent appropriate, between

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



their programs of review.

- 10.5.8 Monitor and evaluate management's responses to the findings and recommendations of service, internal audit and internal control reviews, including progress against agreed actions and the implementation of improvements.

11. OTHER

11.1 Performance assessment, induction and professional development

- 11.1.1 The Committee will review its performance against these Terms of Reference annually.
- 11.1.2 There will be a program for inducting new members to the Committee.
- 11.1.3 The annual performance assessment of the Committee will include reviewing whether there is a need for any professional development to maintain the skills and knowledge needed by Committee members to perform their role effectively.

11.2 Ethics, Integrity and Culture

- 11.2.1 Provide feedback that systems of control on ethical standards, behavioural standards and conflicts of interest for Council Members, senior executives and employees are adequate.
- 11.2.2 Address issues brought to the attention of the Committee, including responding to requests for advice within these Terms of Reference from the Council or the Chief Executive.
- 11.2.3 Review Council's arrangements for its employees to raise concerns, in confidence, that the Council is not acting lawfully, ethically or in a socially responsible manner and that there are suitable protections if they do.
- 11.2.4 Oversee Council's standards of good public administration are achieved and maintained, including that Council has in place a fraud and corruption policy.
- 11.2.5 Ensure that the Council is informed of:
- (a) any material breaches of ethical standards, behavioural standards, conflicts of interest and fraud and corruption policy by a Council Member or senior executive; and
 - (b) any other material breaches of ethical standards, behavioural standards, conflicts of interest and fraud and corruption that call into question the culture of the Council

about which the Committee becomes aware of.

11.3 Other

- 11.3.1 Propose and review the exercise of powers under section 130A of the Local Government Act 1999 as considered relevant.
- 11.3.2 Make recommendations to Council on any matter relevant to these Terms of Reference.

**WHYALLA CITY COUNCIL
AUDIT AND RISK COMMITTEE**

INDICATIVE MEETING SCHEDULE - 2026

Schedule of Ordinary Meetings	
Friday 20 February 2026 at 9.00am	
Friday 10 April 2026 at 9.00am	
Friday 22 May 2026 at 9.00am	In person, to include joint workshop with Council.
Friday 24 July 2026 at 9.00am	
Friday 9 October 2026 at 9.00am	

3. ITEMS FOR NOTING

3.1 Budget Review 2025/26 Quarter 3

Audit and Risk 19 June 2026

Committee:

Author's Title: Grant Jennings
Manager Finance and Knowledge Management

File No.: 0-159

Directorate: Corporate Services

Annexures:

A – Budget Review 2025/26 Quarter 3

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – Not applicable

PURPOSE

To provide an updated projection of Council's operating and capital budgets for the 2025/26 financial year, identifying any variations sought to Council's original budget and the cumulative financial implications.

SUMMARY

The Quarter 3 Budget Review identifies all known variances to Council's 2025/26 budget as at the end of April.

The Budget Review shows an improvement of the overall budget position of \$5,000. There are a number of budget over-runs, some in areas where budget pressure had been previously discussed such as IT and water costs. In addition there was a large one-off variance relating to the final cost of dredging the two marinas, which was 10% above the initial estimate. Significant work has been undertaken in identifying all available unspent funds across the organisation, to deliver a budget position as close as possible to that presented at the second quarter budget review.

RECOMMENDATION

The Audit and Risk Committee notes the Budget Review 2025/26 Quarter 3.

3.1 Budget Review 2025/26 Quarter 3

REPORT

BACKGROUND

Regulation 9(1)(a) of the *Local Government (Financial Management) Regulations 2011*, sets out that the third quarter budget review must, at a minimum, include a report in the format of the Uniform Presentation of Finances and must be presented to Council after the mid-year budget review, but prior to 31 May. The report is prepared consistent with the mid-year budget review including all financial statements, which exceeds the minimum requirements.

Normally this report would first be presented to the Audit and Risk Committee (A&RC) for review and comment prior to being presented to Council. However, due to the timing of the A&RC Meeting for this quarter that is not possible, as this report needs to be adopted by Council prior to 31 May. So, on this occasion it was presented to Council first at their meeting held 18 May 2026. Any commentary provided by the A&RC will be communicated back to Council via the minutes of this meeting.

DISCUSSION

The Budget Review comprises the following statements:

1. key financial indicators;
2. uniform presentation of finances;
3. explanation of material variances; and
4. financial statements.

Refer **Annexure A** – Budget Review 2025/26 Quarter 3

The Quarter 3 Budget Review identifies all known variances to Council's 2025/26 budget as the end of April.

The Budget Review shows an improvement of the overall budget position of \$5,000. There are a number of budget over-runs, some in areas where budget pressure had been previously discussed such as IT and water costs. In addition, there was a large one off variance relating to the final cost of dredging the two marinas, which was 10% above the initial estimate. Significant work has been undertaken in identifying all available unspent funds across the organisation, to deliver a budget position as close as possible to that presented at the second quarter budget review.

Capital carry forwards of \$3.4 million have been identified, net of capital grant income also retimed. This addition to the \$4 million of carry forwards already identified within the second quarter budget review, with a large amount of the overall figure relating to the Foreshore Plaza project, which should commence soon.

Capital Capacity Funds

Council has \$100,000 of capital contingency funds remaining from an initial allocation made in 2024/25. Due to some movements in project values, this has needed to be used up this quarter. \$45,000 went to the Bennett Oval Scoreboard relating to relocation issues, \$40,000 went to Mount Laura Homestead building works in line with tendered pricing and \$15,000 covered increased costs to install the jetty seating.

There was also \$28,000 remaining in the operating contingency fund. This has been reallocated to the waste contract to cover the likely costs of increased fuel.

Financial Implications

Budget 2025/26 Impact

If approved by Council, these amendments will:

- decrease Council's operating deficit by \$5,000 to a projected \$2.23 million;
- leave Council's Operating Deficit Ratio at (5%);
- decrease Council's Net Financial Liabilities Ratio from 19% to 21%; and
- decrease Council's Asset Renewal Funding Ratio from 227% to 185%.

Council is outside target range for the Operating Ratio. This was already the case for the original budget, and the ratio has not changed during the year, despite the deficit increasing by \$152,000. The Net Financial Liabilities Ratio is well within target range.

The Asset Renewal Funding Ratio is reduced by 42% but still sits well above target range at 185%. This primarily relates to the marina project, which was carried forward from earlier years and has a significant value. This is the nature of the ratio, as carry forward projects will always exist and impact the projection of this ratio. However, over time the ratio at year end should be around the 100% mark.

Long Term Financial Plan (LTFP) Impact

Council's operating results in future years are consistent with previous projections, with no ongoing adjustments to budgets made.

The Net Financial Liabilities Ratio is estimated to peak in 2027 at 24% and then will reduce to 4% by 2033. Borrowings are now estimated to peak in 2028 at \$10.5 million then reduce to zero by 2034.

Strategic Plan

Objective 4.1 – Whyalla Council Members commit to serving the Community

Strategy 4.1.2 – We will make decisions based on facts, not emotions

Legislation

The Budget Review has been prepared in accordance with Section 9(1)(b) of *the Local Government (Financial Management) Regulations 2011*.

Officer Direct or Indirect Interest – Nil**Risk Assessment**

Legislative risk is minimised as Council will have reviewed its budget in line with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Overall, financial risk for Council is decreasing over time as financial projections continue to improve and Council moves back towards a financially sustainable position. It is noted that the third quarter budget review still outlines a worsening position compared to the original adopted budget, however, the level of variability is improved from previous years. Budget discipline will continue to be very important moving forward, particularly over the next two years when Council's financial position is still very marginal.

Social Considerations – Not applicable

Community Engagement – Nil

Environmental Implications – Not applicable

Communication – Not applicable

Conclusion

The Quarter 3 Budget Review identifies all known variances to Council's 2025/26 budget as the end of April.

BUDGET REVIEW 2025-26 3rd Quarter

KEY FINANCIAL INDICATORS	Target	Note	Original Budget 2025-26	Approved Amendments 2025-26	Current Budget 2025-26	Proposed Amendments 2025-26	Projected Total 2025-26	Note	Estimated Budget 2026-27	Estimated Budget 2027-28	Estimated Budget 2028-29
Council (including Airport)		1						2			
Operating Surplus/(Deficit) - \$'000			(2,074)	(157)	(2,231)	5	(2,226)		(1,320)	(918)	(576)
Operating Surplus/(Deficit) Ratio	(2)% - 1%		(5%) ●	-	(5%) ●	-	(5%) ●		(3%) ●	(2%) ●	(1%) ●
Net Financial Liabilities Ratio	< 80%		34% ●	(5%)	29% ●	(8%)	21% ●		24% ●	24% ●	20% ●
Asset Renewal Funding Ratio	90 - 110%		218% ●	9%	227% ●	(42%)	185% ●		160% ●	106% ●	113% ●
Council (excluding Airport)											
Operating Surplus/(Deficit) - \$'000		9	(651) ●	(99)	(750) ●	(15)	(765) ●		135 ●	444 ●	739 ●
Operating Surplus/(Deficit) Ratio	(2)% - 1%		(2%) ●	-	(2%) ●	-	(2%) ●		0% ●	1% ●	2% ●
Net Financial Liabilities Ratio - %	< 80%		13% ●	(5%)	8% ●	(8%)	0% ●		3% ●	3% ●	2% ●
Asset Renewal Funding Ratio - %	90 - 110%		218% ●	9%	227% ●	(42%)	185% ●		160% ●	106% ●	113% ●
Whyalla Airport											
Operating Surplus/(Deficit) - \$'000		10	(1,423) ●	(58)	(1,481) ●	20	(1,461) ●		(1,455) ●	(1,362) ●	(1,315) ●
Operating Surplus/(Deficit) Ratio - %	1% - 6%		(56%) ●	(5%)	(61%) ●	(1%)	(62%) ●		(52%) ●	(45%) ●	(42%) ●
Net Financial Liabilities Ratio - %	< 250%		369% ●	16%	385% ●	13%	398% ●		350% ●	336% ●	285% ●

KEY

In target range ● Above target ● Below target ●

* The Adjusted Operating Surplus/(Deficit) removes the impact of timing differences in the receipt of Financial Assistance Grant income and is considered to provide a more meaningful measurement of Council's underlying financial position.

WHYALLA CITY COUNCIL

BUDGET REVIEW 2025-26 3rd Quarter

UNIFORM PRESENTATION OF FINANCES	Note	Original Budget 2025-26 \$000	Approved Amendments 2025-26 \$000	Current Budget 2025-26 \$000	Proposed Amendments 2025-26 \$000	Projected Total 2025-26 \$000	Note	Estimated Budget* 2026-27 \$000	Estimated Budget* 2027-28 \$000	Estimated Budget* 2028-29 \$000
Income	3									
Rates		27,968	110	28,078	25	28,103		29,425	30,397	31,399
Statutory Charges		476	-	476	(22)	454		470	481	492
User Charges		5,794	171	5,965	(75)	5,890		6,371	6,729	6,963
Grants, subsidies and contributions - capital		617	295	912	-	912		732	771	771
Grants, subsidies and contributions - operating		7,069	359	7,428	385	7,813		7,344	7,403	7,589
Investment Income		12	50	62	-	62		12	12	12
Reimbursements		9	-	9	-	9		9	9	9
Other Income		1,143	164	1,307	(1)	1,306		1,240	1,279	1,319
Expenses	4									
Employee Costs		(15,917)	180	(15,737)	60	(15,677)		(16,815)	(17,286)	(17,770)
Materials, contracts & other expenses		(19,116)	(1,384)	(20,500)	(372)	(20,872)		(19,463)	(19,570)	(20,054)
Depreciation, amortisation & impairments		(9,588)	(352)	(9,940)	-	(9,940)		(10,182)	(10,587)	(10,787)
Finance Costs		(541)	250	(291)	5	(286)		(463)	(556)	(519)
Operating Surplus/ (Deficit)		(2,074)	(157)	(2,231)	5	(2,226)		(1,320)	(918)	(576)
Net Outlays on Existing Assets										
Capital Expense on renewal and replacement of Existing	5	(10,537)	(427)	(10,964)	2,022	(8,942)		(8,972)	(6,471)	(6,800)
add back Depreciation, Amortisation and Impairment		9,588	352	9,940	-	9,940		10,182	10,587	10,787
add back Proceeds from Sale of Replaced Assets		85	45	130	46	176		184	186	169
Net Outlays on Existing Assets		(864)	(30)	(894)	2,068	1,174		1,394	4,302	4,156
Net Outlay on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	6	(10,492)	(14)	(10,506)	2,368	(8,138)		(13,437)	(5,299)	(1,334)
add back Amounts received specifically for New and Upg	7	7,985	1,174	9,159	(1,000)	8,159		7,152	2,910	124
add back Proceeds from Sale of Surplus Assets		-	-	-	-	-		-	-	-
Net Outlays on New and Upgraded Assets		(2,507)	1,160	(1,347)	1,368	21		(6,285)	(2,389)	(1,210)
Net Lending/ (Borrowing) for Financial Year		(5,445)	973	(4,472)	3,441	(1,031)		(6,211)	995	2,370
Financing transactions associated with the above net overall deficit, or applying the overall net funding surplus are as follows:										
New Borrowings		1,400	5,900	7,300	(3,300)	4,000		1,600	400	-
Repayment of Principal		-	-	-	-	-		-	-	(1,400)
(Increase)/Decrease in Cash and Investments		(30)	7,977	7,947	(141)	7,806		36	30	(45)
Net Balance Sheet funding (debtors & creditors etc)		4,075	(14,850)	(10,775)	-	(10,775)		4,575	(1,425)	(925)
Financing Transactions	8	5,445	(973)	4,472	(3,441)	1,031		6,211	(995)	(2,370)

Note Explanations – 2025-26 Quarter 3:

1. The operating deficit is expected to decrease by \$5,000 to \$2.27 million. The Operating Deficit Ratio remains at (5%). The Net Financial Liabilities Ratio reduces by 8% to 21%. The Asset Renewal Funding Ratio decreases by 43% from 227% to 184%, due to carry forward renewal projects.
2. Council's operating results in future years are consistent with previous projections. The Net Financial Liabilities Ratio is estimated to peak in 2027 at 24%, and then will reduce to 4% by 2033. Borrowings are now estimated to peak in 2028 at \$10.5 million then reduce to zero by 2034.
3. Operating income is expected to increase by \$312,000, which is attributed to:
 - An increase in rates of \$25,000, due to:
 - o \$10,000 of additional rates from properties that moved from non-rateable to rateable during the year; and
 - o a \$15,000 increase in fines and interest raised on arrears.
 - A decrease in statutory charges of \$22,000 due to immunisation program income being moved to other income.
 - A decrease in user charges of \$75,000 due to:
 - o a reduction in airport income of \$60,000, related to passenger numbers being lower than previously projected and a reduction in car parking income;
 - o airport security screening income being \$25,000 lower than projected, in line with updated expenditure;
 - o crematorium income being down by \$15,000 from initial projections; offset by
 - o increased recycled water sales of \$25,000.
 - An increase in grants & contributions of \$385,000 due to:
 - o the childcare worker retention grant valued at \$235,000, used to lift wage levels for a set period;
 - o childcare flying start program funds of \$130,000, to fund programs and staff training;
 - o \$20,000 of additional minor grants received.
 - A decrease in other income of \$1,000 due to:
 - o \$22,000 of immunisation program income being moved from statutory income;
 - o income of \$10,000 for purchases of IT equipment oncharged to a third party; offset by
 - o quarry royalties being down by \$20,000; and
 - o a reduction of \$13,000 in expected trainee income, due to no trainees currently being hosted internally.

4. Operating expenditure is expected to increase by \$307,000, this can be attributed to:
 - A decrease in labour costs of \$60,000 due to:
 - o savings from unfilled vacant positions of \$265,000;
 - o savings from vacant positions of \$30,000, used to fund labour hire; offset by
 - o increased labour rates for childcare funded by the worker retention grant.
 - An increase in contract, material and other costs of \$372,000 due to:
 - o \$130,000 for the childcare flying start program;
 - o a \$100,000 increase in water costs;
 - o an increase of \$95,000 in dredging costs, due to final volumes;
 - o \$95,000 for operational maintenance of the library and VIC sites;
 - o \$60,000 of childcare building costs linked to works adjacent to the recently completed capital project;
 - o an increase of \$50,000 in IT software and hardware costs, due to ever increasing requirements in dealing with cyber security and connectivity;
 - o an increase in labour hire costs of \$30,000 to backfill vacant positions, offset by labour savings;
 - o \$20,000 of additional costs for sand replenishment, that should have been retimed from 2024/25;
 - o \$20,000 for the delivery of additional minor grant funded programs;
 - o purchases of IT equipment for a third party of \$10,000; offset by
 - o reduced airport security screening expenditure of \$25,000 based on current roster requirements;
 - o reduced trainee costs of \$13,000, due to none currently being hosted internally;
 - o capitalisation of internal costs of \$5,000; and
 - o general savings of \$195,000, identified from across the organisation.
 - A decrease in interest expenses of \$5,000, due to updated cashflow projections.
5. A decrease of \$2.02 million in the outlay on existing assets due to:
 - \$2.21 million of project expenditure carried forward to 2026/27 in line with updated project schedules, including \$650,000 for sealed road renewal; \$650,000 for recreation centre building renewal; \$350,000 for kerb and footpath renewal; \$395,000 for irrigation system renewal and \$169,000 for hummock hill open space works;
 - a transfer of \$32,000 from renewal to new/upgrade, relating to open space assets; offset by
 - \$100,000 of plant renewal retimed from 2026/27, with trade in of \$46,000 also retimed, making the net impact \$54,000;
 - \$74,000 for Field Street Hall renewal retimed from 2026/27, with this previously deferred in error;
 - \$50,000 for the Pt Lowly Boat Ramp renewal retimed from 2026/27.
6. A decrease of \$2.37 million in the outlay on new and upgraded assets due to:
 - \$2.40 million of project expenditure carried forward to 2026/27 for the Foreshore Plaza, with works expected to commence around July; offset by
 - \$32,000 transferred from renewal to new/upgrade, relating to open space assets.
7. A decrease of \$1.0 million in amounts received specifically for new and upgraded assets due to funding for the Foreshore Plaza project retimed to 2026/27 in line with updated project timing.
8. It is expected a reduction in borrowings of \$3.3 million will be required in 2025/26 to meet cash flow requirements, compared to previous projections. This is due to the net deferral of capital budget to 2026/27. Total borrowings at 30 June 2026 are projected to be \$8.5 million, \$2.4 million lower than projected by the adopted budget.

9. Financial Indicators – Council (excluding Airport)

- The operating deficit is expected to increase by \$15,000 to \$765,000. The Operating Deficit Ratio is expected to remain at (2%). The Net Financial Liabilities Ratio decreases by 8% from 8% to 0%.
- Council (excluding Airport)'s operating results in future years are projected to remain in line with previous projections.
- The change to the operating result of \$15,000 is outlined in sections 3 and 4 above, excluding the items attributable to the airport, as outlined below.

10. Financial Indicators – Whyalla Airport

- The operating deficit is expected to decrease by \$20,000 to \$1.46 million. The Operating Deficit Ratio is expected to remain at (61%). The Net Financial Liabilities Ratio increases from 385% to 398%.
- The Airport's operating results in future years are not impacted.
- The change to the operating result of \$20,000 is due to:
 - o a reduction in airport income of \$60,000, related to passenger numbers being lower than previously projected and a reduction in car parking income; offset by
 - o general savings of \$50,000;
 - o \$25,000 of labour savings; and
 - o a decrease in interest expenses of \$5,000.

Key

Negative variance

Positive variance

Timing variance

No variance – offset

WHYALLA CITY COUNCIL

BUDGET REVIEW 2025-26 3rd Quarter

STATEMENT OF COMPREHENSIVE INCOME	Original Budget 2025-26 \$000	Approved Amendments 2025-26 \$000	Current Budget 2025-26 \$000	Proposed Amendments 2025-26 \$000	Projected Total 2025-26 \$000	Estimated Budget* 2026-27 \$000	Estimated Budget* 2027-28 \$000	Estimated Budget* 2028-29 \$000
INCOME								
Rates	27,968	110	28,078	25	28,103	29,425	30,397	31,399
Statutory Charges	476	-	476	(22)	454	470	481	492
User Charges	5,794	171	5,965	(75)	5,890	6,371	6,729	6,963
Grants, subsidies and contributions - capital	617	295	912	-	912	732	771	771
Grants, subsidies and contributions - operating	7,069	359	7,428	385	7,813	7,344	7,403	7,589
Investment Income	12	50	62	-	62	12	12	12
Reimbursements	9	-	9	-	9	9	9	9
Other Income	1,143	164	1,307	(1)	1,306	1,240	1,279	1,319
TOTAL INCOME	43,088	1,149	44,237	312	44,549	45,603	47,081	48,554
EXPENSES								
Employee Costs	15,917	(180)	15,737	(60)	15,677	16,815	17,286	17,770
Materials, contracts & other expenses	19,116	1,384	20,500	372	20,872	19,463	19,570	20,054
Depreciation, amortisation & impairments	9,588	352	9,940	-	9,940	10,182	10,587	10,787
Finance Costs	541	(250)	291	(5)	286	463	556	519
TOTAL EXPENSES	45,162	1,306	46,468	307	46,775	46,923	47,999	49,130
OPERATING SURPLUS/(DEFICIT)	(2,074)	(157)	(2,231)	5	(2,226)	(1,320)	(918)	(576)
Amounts specifically for new or upgraded assets	7,985	1,174	9,159	(1,000)	8,159	7,152	2,910	124
Net gain (loss)	-	-	-	-	-	-	-	-
NET SURPLUS/(DEFICIT)	5,911	1,017	6,928	(995)	5,933	5,832	1,992	(452)
Other Comprehensive Income	6,143	-	6,143	-	6,143	10,551	6,667	6,780
TOTAL COMPREHENSIVE INCOME	12,054	1,017	13,071	(995)	12,076	16,383	8,659	6,328

WHYALLA CITY COUNCIL

BUDGET REVIEW 2025-26 3rd Quarter

STATEMENT OF FINANCIAL POSITION	Original Budget 2025-26 \$000	Approved Amendments 2025-26 \$000	Current Budget 2025-26 \$000	Proposed Amendments 2025-26 \$000	Projected Total 2025-26 \$000	Estimated Budget* 2026-27 \$000	Estimated Budget* 2027-28 \$000	Estimated Budget* 2028-29 \$000
ASSETS								
Current Assets								
Cash & Cash Equivalents	8,129	(7,977)	152	141	293	257	227	272
Trade & Other Receivables	3,790	3,350	7,140	-	7,140	7,140	7,140	7,140
Inventories	2,548	-	2,548	-	2,548	2,548	2,548	2,548
TOTAL CURRENT ASSETS	14,467	(4,627)	9,840	141	9,981	9,945	9,915	9,960
Non-current Assets								
Infrastructure, Property, Plant & Equipment	429,786	4,044	433,830	(4,436)	429,394	447,488	456,652	461,610
Other Non-Current Assets	2,264	-	2,264	-	2,264	2,164	2,064	1,964
TOTAL NON-CURRENT ASSETS	432,050	4,044	436,094	(4,436)	431,658	449,652	458,716	463,574
Total Assets	446,517	(583)	445,934	(4,295)	441,639	459,597	468,631	473,534
LIABILITIES								
Current Liabilities								
Trade and Other Payables	11,995	(7,500)	4,495	-	4,495	4,495	4,495	4,495
Short Term Borrowings	500	-	500	(500)	-	-	1,400	2,700
Short Term Provisions	2,503	-	2,503	-	2,503	2,503	2,503	2,503
TOTAL CURRENT LIABILITIES	14,998	(7,500)	7,498	(500)	6,998	6,998	8,398	9,698
Non-Current Liabilities								
Long Term Borrowings	5,400	5,900	11,300	(2,800)	8,500	10,100	9,100	6,400
Long Term Provisions	1,219	-	1,219	-	1,219	1,194	1,169	1,144
TOTAL NON-CURRENT LIABILITIES	6,619	5,900	12,519	(2,800)	9,719	11,294	10,269	7,544
Total Liabilities	21,617	(1,600)	20,017	(3,300)	16,717	18,292	18,667	17,242
NET ASSETS	424,900	1,017	425,917	(995)	424,922	441,305	449,964	456,292
EQUITY								
Accumulated Surplus	71,211	1,017	72,228	(995)	71,233	77,065	79,057	78,605
Asset Revaluation Reserve	350,135	-	350,135	-	350,135	360,686	367,353	374,133
Reserves	3,554	-	3,554	-	3,554	3,554	3,554	3,554
TOTAL EQUITY	424,900	1,017	425,917	(995)	424,922	441,305	449,964	456,292

WHYALLA CITY COUNCIL

BUDGET REVIEW 2025-26 3rd Quarter

STATEMENT OF CHANGES IN EQUITY	Original Budget 2025-26 \$000	Approved Amendments 2025-26 \$000	Current Budget 2025-26 \$000	Proposed Amendments 2025-26 \$000	Projected Total 2025-26 \$000	Estimated Budget* 2026-27 \$000	Estimated Budget* 2027-28 \$000	Estimated Budget* 2028-29 \$000
Accumulated Surplus								
Balance at Beginning of Period	65,300	-	65,300	-	65,300	71,233	77,065	79,057
Change in financial position resulting from operations	5,911	1,017	6,928	(995)	5,933	5,832	1,992	(452)
Transfers from Other Reserves	-	-	-	-	-	-	-	-
Transfers to Other Reserves	-	-	-	-	-	-	-	-
Balance at End of Period	71,211	1,017	72,228	(995)	71,233	77,065	79,057	78,605
Asset Revaluation Reserve								
Balance at Beginning of Period	343,992	-	343,992	-	343,992	350,135	360,686	367,353
Revaluation Increment	6,143	-	6,143	-	6,143	10,551	6,667	6,780
Balance at End of Period	350,135	-	350,135	-	350,135	360,686	367,353	374,133
Other Reserves								
Balance at Beginning of Period	3,554	-	3,554	-	3,554	3,554	3,554	3,554
Transfers to Accumulated Surplus	-	-	-	-	-	-	-	-
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-
Balance at End of Period	3,554	-	3,554	-	3,554	3,554	3,554	3,554
TOTAL EQUITY AT END OF REPORTING PERIOD	424,900	1,017	425,917	(995)	424,922	441,305	449,964	456,292

WHYALLA CITY COUNCIL

BUDGET REVIEW 2025-26 3rd Quarter

STATEMENT OF CASH FLOWS	Original Budget 2025-26 \$000	Approved Amendments 2025-26 \$000	Current Budget 2025-26 \$000	Proposed Amendments 2025-26 \$000	Projected Total 2025-26 \$000	Estimated Budget* 2026-27 \$000	Estimated Budget* 2027-28 \$000	Estimated Budget* 2028-29 \$000
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts								
Rates	27,968	(3,390)	24,578	25	24,603	29,425	30,397	31,399
Statutory Charges	476	-	476	(22)	454	470	481	492
User Charges	5,794	171	5,965	(75)	5,890	6,371	6,729	6,963
Grants, subsidies and contributions - operating	7,069	(2,991)	4,078	385	4,463	7,344	7,403	7,589
Investment Income	12	50	62	-	62	12	12	12
Reimbursements	9	-	9	-	9	9	9	9
Other Income	1,143	164	1,307	(1)	1,306	1,240	1,279	1,319
Payments								
Employee Costs	(15,917)	180	(15,737)	60	(15,677)	(16,815)	(17,286)	(17,770)
Materials, contracts & other expenses	(19,041)	(5,384)	(24,425)	(372)	(24,797)	(19,388)	(19,495)	(19,979)
Finance Costs	(541)	250	(291)	5	(286)	(463)	(556)	(519)
Net Cash provided by (or used in) Operating Activities	6,972	(10,950)	(3,978)	5	(3,973)	8,205	8,973	9,515
CASH FLOWS FROM INVESTMENT ACTIVITIES								
Receipts								
Amounts specifically for new or upgraded assets	7,985	1,174	9,159	(1,000)	8,159	7,152	2,910	124
Grants Utilised for Capital Purposes	617	295	912	-	912	732	771	771
Sale of replaced assets	85	45	130	46	176	184	186	169
Sale of surplus assets	-	-	-	-	-	-	-	-
Payments								
Purchase of Renewal/Replacement Assets	(8,537)	(2,427)	(10,964)	2,022	(8,942)	(6,722)	(7,221)	(7,300)
Purchase of New/Expansion Assets	(8,492)	(2,014)	(10,506)	2,368	(8,138)	(11,187)	(6,049)	(1,834)
Net Cash provided by (or used in) Investing Activities	(8,342)	(2,927)	(11,269)	3,436	(7,833)	(9,841)	(9,403)	(8,070)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Proceeds from Borrowings - Council	1,400	5,900	7,300	(3,300)	4,000	1,600	400	-
Payments								
Repayment of Borrowings	-	-	-	-	-	-	-	(1,400)
Net Cash provided by (or used in) Financing Activities	1,400	5,900	7,300	(3,300)	4,000	1,600	400	(1,400)
Net Increase (Decrease) in Cash Held	30	(7,977)	(7,947)	141	(7,806)	(36)	(30)	45
Cash & cash equivalents at beginning of period	8,099	-	8,099	-	8,099	293	257	227
Cash & cash equivalents at end of period	8,129	(7,977)	152	141	293	257	227	272

3 ITEMS FOR NOTING

3.2 Interim Audit Management Report

Audit and Risk Committee: 19 June 2026

Author's Title: Sandra Vigar
Finance Coordinator

File No.: 0-159

Directorate: Corporate Services

Annexures:

A – Interim Audit Management Report

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – not applicable

PURPOSE

To provide the Audit and Risk Committee with the Interim Audit Management Report from Council's external auditor.

SUMMARY

Council's external auditor, Galpins, undertook their initial interim audit in March. The interim audit is primarily to form an opinion on Council's internal controls for 2025/26.

The Interim Management Report lists five areas of interest. The report does not list any items that would require the auditor to issue a qualified audit opinion. Instead, these are a list of improvements that will move Council towards a position of best practice.

RECOMMENDATION

The Audit and Risk Committee:

1. receive and note the Interim Management Report, including management's feedback; and
2. accept the interim audit outcomes as closed, noting that all items raised are either minor in nature or already part of existing work programs.

3.2 Interim Audit Management Report

REPORT

BACKGROUND

Council's external auditor, Galpins, undertook their interim audit in March. The audit was undertaken on site on Wednesday 11 and Thursday 12 March with remote follow up requests continuing in the days/weeks following. The majority of required documentation was provided prior to the Audit date via system upload, with follow up queries added for any additional information provided.

The interim audit is primarily to form an opinion on Council's internal controls for 2025/26.

During the interim audit the external auditors reviewed 35 core internal controls, of which 30 were found to be operating effectively. Four findings were found to be low risk and one a medium risk. The majority of these findings have been addressed and completed, with one still in progress.

The audit concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of financial year if Council continues to progress towards addressing identified control weaknesses and existing controls continue to operate effectively.

DISCUSSION

Refer **Annexure A – Interim Audit Management Report**

The Interim Management Report lists five areas of interest. The report does not list any items that would require the auditor to issue a qualified audit opinion. Instead, these are a list of improvements that will move Council towards a position of best practice.

The feedback provided by the external Auditor is always appreciated and ensures that Council is exposed to issues being experienced in the industry, which helps keep practices contemporary. Galpins provide audit services to a large number of councils and can provide high level advice on a wide range of issues, where this doesn't impact their impartiality.

Each of the items raised in the letter is discussed further below.

General Ledger – user access permissions

Finding: Council reviews assigned user access rights for necessity based on user roles.

Response: Synergy User access is reviewed on a monthly basis. Current access is deemed as required with the exception of backup roles. This access has been changed to "Enquiry" unless performing the job role/task.

Status: Completed with ongoing monthly review to continue

Fixed Assets – Asset Management Plans

Finding: Council's Asset Management Strategy provides high-level guidance on renewal and replacement planning but does not provide the detailed asset-class specific analysis typically included in individual Asset Management Plans (AMPs), such as service levels, lifecycle strategies, risk management, demand considerations, and asset performance information.

Response: The Asset Management Framework has been updated and the work required is to be completed over the next two years.

Status: In progress

Asset Register and General Ledger documentation

Finding: No documented evidence of the reconciliation of the Asset Register to the General Ledger or review was available to demonstrate that this process had been performed.

Response: The end of year process has been updated to include a signed statement reconciling both systems.

Status: Completed (End of year process)

Reconciliation of Rates Raised to Rates Modelling

Finding: No documented evidence of the manual adjustments to reconcile the rates system to rates modelling.

Response: The rates modelling template has been updated to include an additional table reconciling rates generated to model projections.

Status: Completed

Debt Management Policy

Finding: The Policy is overdue for review and updating.

Response: The Debt Management Policy was changed to the Financial Hardship Policy in 2020 and is up to date (next review date August 2026). Council has a Debt Management Procedure, which is overdue for review and updating and will be presented to the May Audit Committee meeting if required.

Status: Completed

Financial Implications

Council can undertake the actions highlighted by the report using internal resources or existing budget allocations.

Strategic Plan

Objective 4.1 – Whyalla Council Members commit to serving the Community.

Strategy 4.1.12 – Our Council is collaborative, respectful and committed to creating a prosperous future for Whyalla.

Legislation

The external auditor must provide an opinion on the operation of Council's internal controls under S 129(1)(b) of the *Local Government (Financial Management) Regulations 2011*.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The auditor has not identified any issues that would require them to issue a qualified audit opinion. This means that no items listed are considered to create significant risk for Council. By implementing the identified improvements Council will continue to move towards best practice.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication - Nil

Conclusion

The implementation of process improvements identified by Council's External Auditors will help to improve Council's internal financial control environment, which is already operating in a satisfactory manner.



Accountants, Auditors & Business Consultants

Financial Controls Review

Whyalla City Council

2025/26 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.

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
- Credit Cards
- Payroll
- Debtors

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 a risk assessment of the business cycles for which we have identified performance improvement opportunities.

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 for the 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 (30 out of 35 core controls reviewed).

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

Business cycles	Controls Reviewed	Operating Effectively					2026 Findings			
		2029	2028	2028	2027	2026	H	M	L	BP
General Ledger	4	TBC*	TBC*	TBC*	TBC*	3	-	-	1	-
Fixed Assets	5	TBC*	TBC*	TBC*	TBC*	3	-	1	1	-
Purc & Procur/Contr	3	TBC*	TBC*	TBC*	TBC*	3	-	-	-	-
Accounts Payable	4	TBC*	TBC*	TBC*	TBC*	4	-	-	-	-
Rates	4	TBC*	TBC*	TBC*	TBC*	3	-	-	1	-
Banking	3	TBC*	TBC*	TBC*	TBC*	3	-	-	-	-
Credit Cards	4	TBC*	TBC*	TBC*	TBC*	4	-	-	-	-
Payroll	5	TBC*	TBC*	TBC*	TBC*	5	-	-	-	-
Debtors	3	TBC*	TBC*	TBC*	TBC*	2	-	-	1	-
Total	35					30	-	1	4	-

*TBC – To be confirmed in future audits for benchmarking and comparison purposes.

The majority of findings were classified as low risk. This indicates a high level of compliance with the requirements of section 125 of the Local Government Act and a strong level of effectiveness of the internal controls reviewed.

Audit have concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.

1.5. Summary of findings

Business Cycle	Findings	Risk
General Ledger	2.1.1 Finance functions in Synergy with potentially excessive number of users allocated to them	L
Fixed Assets	2.2.1 Asset management strategy not supplemented by asset class AMPs	M
	2.2.2 Absence of documented evidence of reconciliation between the asset register and the general ledger	L
Rates	2.3.1 Absence of a formal reconciliation of total rates recorded in the system to the rates modelling	L
Debtors	2.4.1 Debt management policy overdue for review	L
Purch. Proc. Contracting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Accounts Payable	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Banking	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Credit cards	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Payroll	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 Finance functions in Synergy with potentially excessive number of users allocated to them

Low

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																													
The Council reviews a list of users with access to different finance functions in the Synergy system on an annual basis. Our review of the list of users with access to selected key finance modules in the Synergy system identified potential opportunities to further strengthen the access restrictions for the following functions: <table><tr><th>Functions</th><th>Access rights</th><th>Initials of the users</th></tr><tr><td>DEBTORSFULL</td><td>Debtors full access</td><td>SR / SV / TF</td></tr><tr><td>CREDITORSFULL</td><td>Creditors full access</td><td>JH / NW / NMQ / SV / TF</td></tr><tr><td>HRFULL</td><td>HR full access</td><td>AJ / EP / LG / LF / NMQ / SK / VK</td></tr><tr><td>RATESPROPFULL</td><td>Rates and property full access</td><td>AK / JW / JP / JH / NH / NT / SR / SV / TF</td></tr><tr><td>RATESFULL</td><td>Rates full access</td><td>JH / SR / SV / TF</td></tr><tr><td>PAYFULL</td><td>Payroll full access</td><td>GJ / NW / NMQ / SV</td></tr></table> The table below details specific users assigned to the functions noted above for whom Audit recommends Management reviews whether the level of access granted is appropriate and necessary: <table><tr><th>Functions</th><th>Users with access requiring Management review</th></tr><tr><td>DEBTORSFULL</td><td>Corporate services officer (TF)</td></tr><tr><td>CREDITORSFULL</td><td>Finance coordinator (SV) / Corporate services officer (TF)</td></tr><tr><td>HRFULL</td><td>WHS officers (AJ / VK)</td></tr></table>	Functions	Access rights	Initials of the users	DEBTORSFULL	Debtors full access	SR / SV / TF	CREDITORSFULL	Creditors full access	JH / NW / NMQ / SV / TF	HRFULL	HR full access	AJ / EP / LG / LF / NMQ / SK / VK	RATESPROPFULL	Rates and property full access	AK / JW / JP / JH / NH / NT / SR / SV / TF	RATESFULL	Rates full access	JH / SR / SV / TF	PAYFULL	Payroll full access	GJ / NW / NMQ / SV	Functions	Users with access requiring Management review	DEBTORSFULL	Corporate services officer (TF)	CREDITORSFULL	Finance coordinator (SV) / Corporate services officer (TF)	HRFULL	WHS officers (AJ / VK)	Users assigned access rights to the functions noted by Audit in the ‘Finding’ column are reviewed to confirm that access is appropriate and necessary based on each user’s role and responsibilities. Where access is provided for backup purposes, it is granted on a temporary basis and removed once the backup arrangement is no longer required.	These recommendations will be taken into consideration when the next review of user access is undertaken. None of the current access provided is considered to be inappropriate, based on job roles, however the recommendation that backup roles only be given access temporarily is noted. As the Human Resource and Payroll functions are no longer managed through Synergy, it will be investigated whether full access to the historical data in the system can be lowered to enquiry only for all of the listed users.
Functions	Access rights	Initials of the users																													
DEBTORSFULL	Debtors full access	SR / SV / TF																													
CREDITORSFULL	Creditors full access	JH / NW / NMQ / SV / TF																													
HRFULL	HR full access	AJ / EP / LG / LF / NMQ / SK / VK																													
RATESPROPFULL	Rates and property full access	AK / JW / JP / JH / NH / NT / SR / SV / TF																													
RATESFULL	Rates full access	JH / SR / SV / TF																													
PAYFULL	Payroll full access	GJ / NW / NMQ / SV																													
Functions	Users with access requiring Management review																														
DEBTORSFULL	Corporate services officer (TF)																														
CREDITORSFULL	Finance coordinator (SV) / Corporate services officer (TF)																														
HRFULL	WHS officers (AJ / VK)																														

RATESPROPFULL	Corporate services officer (TF)		
RATESFULL	Corporate services officer (TF)		
PAYFULL	Finance manager (GJ) and finance coordinator (SV)		
Management advised that some of the users listed above may have access to these functions as a backup arrangement when another employee is on leave or when a position is vacant. In these circumstances, it is recommended practice that access is granted on a temporary basis rather than permanently. 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 specifically considers the extent of the access rights shown above when next performing the formal review of users with access to finance functions in Synergy.			

2.2 FIXED ASSETS

2.2.1 Asset management strategy not supplemented by asset class AMPs

Moderate
Control

Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.

Risk

Fixed Asset maintenance and/or renewals are inadequately planned.

Finding	Recommendations	Management Response
Council has developed an Asset Management Strategy which includes capital renewal and capital replacement schedules across its asset portfolio. This approach is considered sufficient to meet the minimum requirements of the Local Government Act. Whilst the Strategy provides high-level guidance on renewal and replacement planning, it does not provide the detailed asset-class specific analysis typically included in individual Asset Management Plans (AMPs), such as service levels, lifecycle strategies, risk management, demand considerations, and asset performance information. Asset-class specific AMPs are considered better practice in local government asset management, as they allow asset management practices to be tailored to the characteristics, risks, and service requirements of each asset class (e.g. roads, buildings, stormwater, etc). The development and formal adoption of individual asset class AMPs would support a more mature and integrated asset management framework and provide stronger alignment between asset management practices, service level decision-making, and long-term	Individual AMPs are developed for each major asset class.	This item was highlighted in the Asset Management Framework that was recently updated by Council, with this work to be completed over the next two years. It should be noted that administration believes this is a low risk item, related to continuous improvement and best practice, rather than causing any likelihood of an internal control failure.

financial planning. Management advised that the preparation of individual asset class AMPs forms part of Council's planned asset management improvements.		
---	--	--

2.2.2 Absence of documented evidence of reconciliation between the asset register and the general ledger**Low****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
Council advised that the reconciliation of fixed assets to the general ledger is performed annually during the preparation of the financial statements, as capitalisation occurs at year end. Final asset reports are compared to the general ledger prior to finalising the financial statements. However, no documented evidence of the reconciliation or review was available to demonstrate that this process had been performed.	Ensure that the reconciliation of the asset register to the general ledger is documented and retained as evidence of review.	A reconciliation is performed at year end by the Finance Service Officer, which is checked against both the Synergy and Conquest values. This will be updated slightly this year to include a statement that the values reconcile to both systems and include sign off by two officers.

2.3 RATES

2.3.1 Absence of a formal reconciliation of total rates recorded in the system to the rates modelling

Low

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

Audit performed a reconciliation between the total rates raised in the rates system and the total rates to be raised as indicated in the rates modelling spreadsheet, as summarised below:

Functions	Amounts
Total rates as per rates modelling	\$22,234,904
Total rates as per rates system	\$22,394,993
Difference	\$160,089

The difference relates to commercial and industrial rate capping and discretionary rebates, which were manually adjusted in the rates system after the rates were generated, as outlined below:

Manual adjustment	Amounts
Capping applied on commercial properties	\$89,488
Capping applied on industrial properties	\$6,265
Discretionary rebates	\$64,336
Total (agrees to Difference above)	\$160,089

Audit acknowledges that Management was aware of the reason for the difference and was able to promptly explain it. However, the difference was not documented in a formal reconciliation.

Recommendations

It is a better practice for Council to have a pro-forma reconciliation form comparing the following amounts:

1. the total rates revenue recorded in the Synergy system to the total rates revenue provided by the rates modelling used to generate rates.
2. the total capital value recorded in the Synergy system to the total capital value recorded in the Valuer General report used as the basis for rates generation.

Illustrative examples of formal reconciliations recommended to be implemented are provided over page.

Management Response

The rates modelling template has been updated to include an additional table, which will reconcile to the initial rates generation for 2026/27, taking into account that specific items will always need to be manually entered into the system after generation occurs.

Illustrative examples of formal reconciliations recommended to be implemented**Total rates revenue recorded in Synergy after rates generation to the total rates revenue provided in the rates modelling**

Rates modelling – 2025/26	\$22,234,904
Rates system – 2025/26	\$22,394,993
Difference	\$160,089

Difference comprised by:

Capping applied on commercial properties	\$89,488
Capping applied on industrial properties	\$6,265
Discretionary rebates	\$64,336

Total difference – reconciled	\$160,089
--------------------------------------	------------------

Unreconciled items	Nil
---------------------------	------------

Checked by: _____

Reviewed by: _____

Total capital value recorded in Synergy after rates generation to the total capital value provided in the Valuer General report

Rates system – 2025/26	\$3,442,733,780
Valuer General report – 2025/26	\$3,442,733,780
Difference	nil

Checked by: _____

Reviewed by: _____

2.4 DEBTORS

2.4.1 Debt management policy overdue for review

Low**Control**

The Council maintains a Debt Collection Policy and/or procedure.

Risk

Debtors are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
The Council's Debt Management Policy indicates that the next review date was July 2020. At the time of audit, the policy had not yet been formally reviewed or updated. Audit acknowledges that the policy is currently under review by Management.	Finalise the review and update of the Debt Management Policy.	The Debt Management Policy was changed to the Financial Hardship Policy in 2020 and the review schedule is currently up to date. However, the accompanying Procedure has not been updated since 2017 and is in need of review. This work will be undertaken and the updated document presented to the Audit & Risk Committee in May if required.

3. LONG-TERM FINANCIAL SUSTAINABILITY CONSIDERATIONS

3.1 Recommendations to ensure Council maintains appropriate financial controls to support its long-term financial sustainability

Considerations

Long Term Financial Sustainability – Council

The Council's Annual Business Plan and Long Term Financial Plan (LTFP) indicate that Council is forecast to report an operating deficit of approximately \$2.074 million for the 2025/26 financial year.

In 2023/24, the Essential Services Commission of South Australia (ESCOSA) completed an independent assessment of Council's financial sustainability, concluding the council is 'Potentially Unsustainable'. The review highlighted several key matters for Council's consideration, including:

- the level of projected operating deficits and the need to improve the balance between expenditure and revenue
- the importance of prioritising the maintenance and renewal of existing assets and services over the development of new infrastructure
- the reliance on projected rate increases above CPI as a mechanism to improve financial performance
- the significant impact of airport operations on Council's overall financial position.

Following this review, Council updated its Long Term Financial Plan to address the matters raised. As a result of these changes, the current projections indicate that Council's operations excluding the airport are expected to return to an operating surplus by the 2026/27 financial year.

Given the matters identified in the ESCOSA review and the revised assumptions incorporated into the Long Term Financial Plan, it will be important for Council to continue monitoring actual financial results against the projections included in the LTFP. This will assist in assessing whether the underlying assumptions remain achievable and whether the matters identified by ESCOSA are being effectively addressed.

Further observations regarding the financial performance and sustainability of the airport operations are outlined in the following pages.

Long Term Financial Sustainability – Airport

The operation of the Whyalla airport has a significant impact on Council's overall financial sustainability metrics due to the airport's operating deficit, high level of depreciation associated with airport infrastructure assets and high finance costs related to borrowings used to upgrade the airport.

A comparison of the airport's projected operating results with Council's overall operating results is presented below to demonstrate the impact that the airport's projected deficits have on Council's financial position.

Operating results	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Council*	\$(2,074)	\$(1,072)	\$(899)	\$(590)	\$(280)	\$(185)	\$124	\$394	\$561	\$564
Airport	\$(1,423)	\$(1,311)	\$(1,202)	\$(1,114)	\$(972)	\$(864)	\$(789)	\$(639)	\$(547)	\$(525)

* including the airport

Below is a summary of the projected revenue, expenses and operating results of the airport:

Operating results	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$2,540	\$2,735	\$2,957	\$3,096	\$3,242	\$3,396	\$3,481	\$3,568	\$3,657	\$3,748
Depreciation	\$(837)	\$(853)	\$(867)	\$(880)	\$(893)	\$(916)	\$(939)	\$(962)	\$(987)	\$(1,012)
Finance costs	\$(477)	\$(531)	\$(556)	\$(525)	\$(445)	\$(394)	\$(306)	\$(143)	\$(36)	-
Operating expenses	\$(2,649)	\$(2,662)	\$(2,736)	\$(2,805)	\$(2,876)	\$(2,950)	\$(3,025)	\$(3,102)	\$(3,181)	\$(3,261)
Operating result	\$(1,423)	\$(1,311)	\$(1,202)	\$(1,114)	\$(972)	\$(864)	\$(789)	\$(639)	\$(547)	\$(525)
Net Financial Liabilities Ratio	369%	359%	323%	262%	197%	177%	94%	29%	(3)%	(15)%

Airport infrastructure such as runways and associated facilities are valued using the depreciated replacement cost method, which results in relatively high depreciation expenses being recognised in the operating result. However, major renewals and upgrades of regional airport infrastructure are typically expected to be co-funded through State and Federal Government grants rather than entirely through internally generated airport revenue.

As a result, depreciation expenses may not reflect the actual cash funding requirement for future asset renewals. This may create the perception that the airport's financial position is less sustainable than intended under Council's funding model.

The Annual Business Plan indicates that Council considers the airport to be financially sustainable where the operating deficit does not exceed 50% of depreciation, recognising that external grant funding is likely to support major renewal and upgrade projects.

However, the current presentation of the airport financial information does not clearly demonstrate the relationship between the airport's operating deficit and depreciation over the life of the Long Term Financial Plan, nor whether the airport is projected to meet this target.

In addition to setting, monitoring and communicating appropriate separate financial sustainability targets for the airport, as the airport operates on a user-pays basis, consideration could be given to whether a market or income-based valuation approach may better reflect the economic value of the airport assets and their revenue-generating capacity. This may result in a depreciation expense that is more reflective of the business model.

Another factor to consider in assessing the airport's long-term financial sustainability is the level of finance costs associated with borrowings. For 2025/26, the airport is projected to report a Net Financial Liabilities Ratio of 369%, which is significantly above the target range. This reflects the relatively high level of borrowings compared to the airport's operating revenue. Council's projections anticipate that this ratio is expected to begin decreasing significantly from 2027/28, as Council plans to commence the repayment of principal amounts on airport borrowings. The reduction of borrowings over time is expected to reduce finance costs and improve the airport's financial position.

Given the significance of the airport's financial performance to Council's overall sustainability, it is important that the underlying assumptions and performance indicators associated with airport operations continue to be clearly presented and monitored over time. In particular, consideration of the relationship between operating deficits, depreciation levels and borrowings will assist in providing a clearer understanding of the airport's long-term financial position and whether the projected outcomes remain consistent with Council's intended funding model.

The airport's financial performance should be clearly presented separately from that of general council operations, as is the case in the 2025/26 Annual Business Plan and Budget and the 2025 – 2034 Long Term Financial Plan. There is opportunity to further reinforce this separation within the Annual Financial Statements, for example with additional Adjusted Ratios excluding airport operations and stand alone for airport operations (including commentary against specific target ranges), and/or via the inclusion of an additional 'Functions' note disclosure showing airport results separately.

Recommendations

Long Term Financial Sustainability – Council

Council has taken steps to strengthen its long-term financial sustainability through the preparation and ongoing review of its Long Term Financial Plan and related strategic planning documents. To support the continued monitoring and alignment of these plans, Council may wish to consider the following strategies to continue ensuring that annual budgets remain aligned with strategic management plans, including the Long Term Financial Plan (LTFP) and Asset Management Plans (AMPs):

1. Proceeding with the current plans to update and adopt new AMPs (refer to finding 2.2.1).
2. Ensuring that capital works from the updated AMPs feed directly into the Annual Business Plan (ABP) and LTFP.
3. Ensuring that the capital expenditure programs provided by AMPs are reviewed annually and the LTFP is updated accordingly.
4. Ensuring that assumptions and figures provided by the LTFP are reviewed on an annual basis.
5. Conducting a sensitivity analysis on key LTFP assumptions, such as CPI, rate increases, depreciation increases, and interest rates. This involves, for example, modelling the impact that a percentage increase/decrease (e.g. 2 or 3%) in these variables has on Council's net surplus, borrowing levels, and financial sustainability ratios.
6. Comparing and analysing actual vs budget results on a regular basis.
7. Monitoring Council's financial performance against the key matters identified in the ESCOSA financial sustainability review, including trends in operating deficits, reliance on rate increases, and the prioritisation of asset renewal over new infrastructure investment.
8. Completing a Long Term Financial Plan maturity self-assessment (template provided).

Long Term Financial Sustainability – Airport

To support the ongoing monitoring and transparency of the airport's financial sustainability, Council may wish to consider the following strategies:

9. Monitoring the airport's financial performance by regularly comparing actual results against the projections included in the LTFP and reviewing specific key financial indicators associated with airport operations, including operating results, borrowings, and finance costs against agreed targets.
10. Enhancing the presentation of airport financial information within the ABP and LTFP to more clearly demonstrate the relationship between operating deficits and depreciation, and whether the airport is projected to meet Council's target of maintaining an operating deficit not exceeding 50% of depreciation.
11. Enhancing the presentation of airport financial information within the Annual Financial Statements (in keeping with the separation of financial results per the ABP and LTFP), for example by presenting additional Adjusted Ratios excluding airport operations and stand-alone ratios for airport operations (including commentary against specific target ranges), and/or via the inclusion of an additional 'Functions' note disclosure showing airport results separately.
12. Considering whether the current valuation basis applied to airport infrastructure assets (i.e. depreciated replacement cost) remains the most appropriate representation of their economic value, noting that the airport operates largely on a user-pays basis.

Management response

Council is currently performing the majority of these actions and will continue to do so.

The LTFP maturity self-assessment will be completed over the coming month.

Consideration will be given to the recommendations relating to further enhancing the reporting of the airport financial result, with these changes to be implemented over the next 12 months.

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	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	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	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.
R2	Fixed assets are not valued correctly initially or on subsequent revaluation.
R3	Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies	Core
R3	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R2	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R1	There is a process in place for verification of fixed assets which is reconciled to the FAR.	Core

Purchasing and Procurement

Risks

R1	The Authority 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.
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	The Authority 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 the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	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

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	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional

RATES**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.

RISKS	Control	Control Type
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R1 R2	Annual valuation update is balanced prior to the generation of rates, all mismatches resolved prior to finalising rate generation.	Core
R1 R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	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

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 collected is adequately recorded and banked regularly.	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

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.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with the Authority policy and procedures prior to the Credit Card being released.	Core
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.	Core
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 the Authority.	Core

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.

RISKS	Control	Control Type
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1 R2	All calculations for generating payroll payments are verified for accuracy.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R4	There is a process in place to ensure employees are not added to the payroll master file, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core

DEBTORS

Risks

R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Debtor are either not collected on a timely basis or not collected at all.

RISKS	Control	Control Type
R1	Debtor's reconciliation is performed on a regular basis to the general ledger and reviewed by an appropriate person.	Core
R2	Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.	Core
R1	The organisation maintains a debt collection policy and/or procedures.	Core

3 ITEMS FOR NOTING

3.3 Quarterly Report – Procurement 1 January to 31 March 2026

Audit and Risk Committee: 19 June 2026
Author's Title: Diane Aspey
File No.: 0-159
 Procurement Coordinator
Directorate: Corporate

Annexures – Nil

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – not applicable

PURPOSE

The purpose of this report is to provide information regarding Council's procurement activities during the period **1 January to 31 March 2026**.

SUMMARY

The Procurement Policy requires quarterly reporting on procurement exemptions.

This report also provides a snapshot of the following procurements which have been undertaken by Council during the quarter:

- Tenders undertaken;
- Procurement Policy Exemptions;
- Procurement Process Exemptions;
- Use of local vs non-local goods, works and services; and
- Comparison of purchase orders and local vs non-local spend to same quarter of the previous year

All figures included in this report are GST exclusive, in line with the budget.

RECOMMENDATION

The Audit and Risk Committee receive and note the Quarterly Report – Procurement for the period 1 January to 31 March 2026.

3.3 Quarterly Report – Procurement 1 January to 31 March 2026

REPORT

BACKGROUND

In adopting better governance practices, this report is prepared to ensure Audit Committee and Elected Members are informed about procurement outcomes achieved by the Council.

Council's Procurement Policy exemptions from the policy to be appropriately approved, recorded and reported quarterly to the Audit and Risk Committee and Council.

DISCUSSION

1. TENDERS (greater than \$250,000):

The following tenders were undertaken/are in progress for the period **1 January to 31 March 2026**:

PROCUREMENT	TENDERS REQUESTED	TENDERS RECEIVED	STATUS
Beach Splash and Play Plaza	Open Tender via SA Tenders & Contracts website	3	In final stage of evaluation
Civic Park/Schulz Reserve Irrigation Renewal	Open Tender via SA Tenders & Contracts website	0	No tenders received
Airport Security Screening Services	Open Tender via SA Tenders & Contracts website	5	Currently being evaluated
Airport Native Fauna Exclusion Fence	Open Tender via SA Tenders & Contracts website	11	Awarded
Airport Water Main Upgrade	Open Tender via SA Tenders & Contracts website	TBA	Closes 12/5/2026
Airport Electrical Upgrade	Open Tender via SA Tenders & Contracts website	TBA	Closes 12/5/2026
Basketball Stadium Fire Services Upgrade	Open Tender via SA Tenders & Contracts Website	2	Award Imminent
Recreation Centre Roofing Renewal	Open Tender via SA Tenders & Contracts Website	TBA	Currently Open
Cleaning of Point Lowly Toilets, BBQs & Picnic Settings & Litter Collection	Open Tender via SA Tenders & Contracts Website	TBA	Currently Open

2. EXEMPTIONS:

From 1 January to 31 March 2026 the following 9 procurement exemptions were made:

2.1 Procurement Policy Exemptions

PROJECT TITLE	VALUE (GST EX)	NATURE & REASON FOR EXEMPTION (Clause 7 of Procurement Policy)	HOW COUNCIL IS RECEIVING VALUE FOR MONEY FROM THIS PROCUREMENT
Design and production of publication introduction to Whyalla Coastline	\$12,990	Long term supplier of tourism products to Council as a high quality and cost-effective regional supplier. Quick and reliable service.	The sale of the publications will bring Council \$18,711.00 profit if all copies are sold.
Crushing 350T road base for Cuttlefish Coast road at Council's Pt Lowly Borrow Pit	\$77,485	Contract rates based on current road crushing and concrete crushing contract with Contractor.	Contractor already in a working relationship with Council at known and agreed rates, budget for works has been set, location of works saves Council additional transport costs for road construction.
Renewal of Koala Crossings at Bradford & Long Streets	\$96,332	Council's incumbent contractor responsible for ongoing maintenance of all traffic signal infrastructure within the City of Whyalla. As a result, they hold comprehensive and current knowledge of the condition, configuration and operational history of these assets, which significantly reduces the risk of design errors, installation delays, or compatibility issues. Their specialist expertise and familiarity with Councils traffic signal network provide a clear technical advantage that is not readily available through alternative suppliers.	Contractor has consistently demonstrated strong value for money in their previous engagements with Council. Their extensive familiarity with Councils traffic signal infrastructure enables them to scope, price and delivery tasks with a level of efficiency that competing contractors are not able to match without equivalent background knowledge.
Hydraulic & Electrical Design for Airport Switchboard	\$73,500	There are extremely tight timeframes for the delivery of these projects, due to the State and Federal Government taking an extended period to approve the reallocation of grant funds and not extending the original deadline for 30 June 2026. Detailed design needs to occur before works can be tendered.	This contractor provided competitive quoting for similar works within the last 18 months and was awarded the contract, so they are considered to provide good value for money and high-quality work.
Airside Fencing Native Vegetation Clearance	\$75,710	There are extremely tight timeframes for the delivery of these projects, due to the State and Federal Government taking an extended period to approve the reallocation of grant funds and not extending the original deadline for 30 June 2026. Native vegetation clearance needs to be occurring while tendering of the main works occurs. Multiple quotes were sought; however, a full process was not undertaken due to time constraints.	2 separate quotes were received, both from local suppliers and the pricing varied less than 5%, so it is likely that the pricing achieved it close to the market value and the lower price has been selected.
Pt Lowly Lighthouse Remedial Works	\$267,273	Contractor has extensive historical experience working on the lighthouse and has produced numerous reports outlining required remedial works. The company previously held the contract for repainting the lower section, which was successfully completed in 2021. Their proven performance, reliability and consistent delivery of suitable contractor for these works. Given their prior familiarity with the structure, Contractor is better positioned to manage and mitigate the additional risks associated with the project, including working at heights and addressing heritage-related considerations.	Although only a single supplier quote is being sought, value for money can still be clearly demonstrated by comparing the proposed costs with previous estimates and historical pricing. This approach helps confirm that the quoted amount is consistent with past expenditure, aligns with reasonable market expectations and is appropriate for the required scope and quality of work. Even without multiple quotes, using prior cost benchmarks provides a robust and defensible basis to show that the selected option is fair, justified and represents value for money. The assessment of the quote will be benchmarked against the previous estimate provided by a Consultant, with further consultation available if additional cost validation is required.

PROJECT TITLE	VALUE (GST EX)	NATURE & REASON FOR EXEMPTION (Clause 7 of Procurement Policy)	HOW COUNCIL IS RECEIVING VALUE FOR MONEY FROM THIS PROCUREMENT
Supply & Installation of Irrigation at Civic Skate Park, Toilets & Child Care Centre	\$35,000	Latent conditions became an issue at Civic Park which forced a rethink of scope. It was determined that irrigated lawn is preferred, low maintenance option. Council needs to urgently engage specialist irrigation team to allow turf to be laid to complete project. Opportunity while Contractor is here to install irrigation at Child Care Centre also.	Contractor has completed a lot of high quality work for Council over the years, they know the existing systems which ensures a straight forward project to rectify latent conditions, also cuts down on mobilisation and travel costs.
Manufacturing & Installation of new exhibition cabinets for Mt Laura Homestead	\$56,176	The contractor selected is the only Whyalla based supplier for highly specified design and delivery of professional museum exhibition cabinets.	Already budgeted by Council for this specific job. Outcome will improve the National Trust SA Mount Laura Homestead Museum image and visitation and security of historical artefacts on display.
Cameras for New Airport Airside Fence	\$89,839	The contractor has extensive knowledge of Council's existing camera network and can ensure that this system integrates with existing cameras in the airport terminal. There are also very tight timeframes due to grant money deadlines, and this contractor is always very accommodating in working on Council projects very quickly.	Previous market testing has shown that the contractor provides good value quoting. There are also savings related to system integration.

The following positions are authorised to approve exemptions from undertaking procurement processes as specified in Council's Procurement Policy:

- Up to \$100,000 – General Manager
- Above \$100,000 – Chief Executive Officer

The following is a summary of Policy Exemptions for the 2025/2026 year:

Exemptions by Department	Amount	Percentage
City Growth	4	16.67%
Corporate	4	16.67%
Infrastructure	14	58.33%
Executive	2	8.33%
Total	24	100.00%

Exemptions by Procurement Thresholds (\$)	Amount	Percentage
0 – 40,000	8	33.33%
40,001 – 250,000	14	58.33%
250,001 +	2	8.33%
Total	24	100.00%

** Note - Item 2.2 Procurement process exemptions are not included in the above figures**

2.2 Procurement Process Exemptions

The following exemptions primarily relate to instances where procurement processes have been undertaken using one threshold but the final cost ended up in a higher threshold once quotes were received, meaning a different procurement approach should have been used. In a small number of instances they may relate to staff not following due process, in these cases further explanation will be provided on how repeat occurrences will be avoided. When these exemptions are approved the approval encompasses the following:

- Notes the approach undertaken not being in line with the requirements of the Procurement & Contract Management Policy;
- Negates the need to go out to the market again to seek quotes using the required procurement approach; and
- Approves the award of the Works/Services to the successful contractor

From 1 January to 31 March 2026 the following procurement process exemption was approved:

PROCUREMENT THRESHOLD USED	PROCUREMENT PROCESS USED	SUCCESSFUL QUOTE VALUE (GST EX)
Under \$40,000	Supply & Installation of Power for Bennett Oval Scoreboard	\$16,965
	Procurement process undertaken not in line with the threshold requirements in the Procurement Policy. Contractor installed the original cabling and current scoreboard over 10 years ago and are very familiar with the location of the works and what is required. They have also maintained the existing scoreboard since installation.	
\$40,000 to \$250,000	Traffic Engineering and Road Safety Support	\$41,100
	A written request for quote was issued to 2 companies with the assumption that the cost would come in below the threshold, both came in over. It is expected that not all functions quoted in Contractor 1's proposal will be required, a PO will be issued with the total cost omitted, invoice will be a Schedule of Rates which will be checked by the Project Manager. Contractor 1 has been chosen for their lower cost, purpose built independent review role and stronger alignment if Council only wants assurance on whether Proposal 2's recommended pavement treatments are appropriate. As Council's intent is independent assurance before approving or tendering the road treatment program, Contractor 1 is the better fit.	
Above \$250,000	Nil.	

3. LOCAL PURCHASES:

As a contributor to Whyalla's economy, Council is committed to purchasing from local suppliers where possible, as well as ensuring value for money procurement outcomes.

There was an overall spend of \$4,484,623.85 broken down as follows:

- Local spend \$1,559,784.38; and
- Non-local spend \$2,924,839.47

Out of a total of 934 purchase orders raised for goods, works or services for the quarter:

- 614 were local; and
- 320 were non-local

A total of 65.74% were local purchases and 34.26% were non-local purchases for goods, works or services. Non-local purchases for this period were reviewed and were for the following reasons:

- Tendered goods/works/services
- Training/Conferences & Accommodation
- Advertising
- Software licences/Renewals
- Souvenirs/Special Event Merchandise
- Fuels
- Specialised products or services
- Memberships/Subscriptions
- Events – Specialised Products/Services
- Continuation/Variation to Tendered Works
- Online payments licences/approvals/rego checks
- Grants/Donations

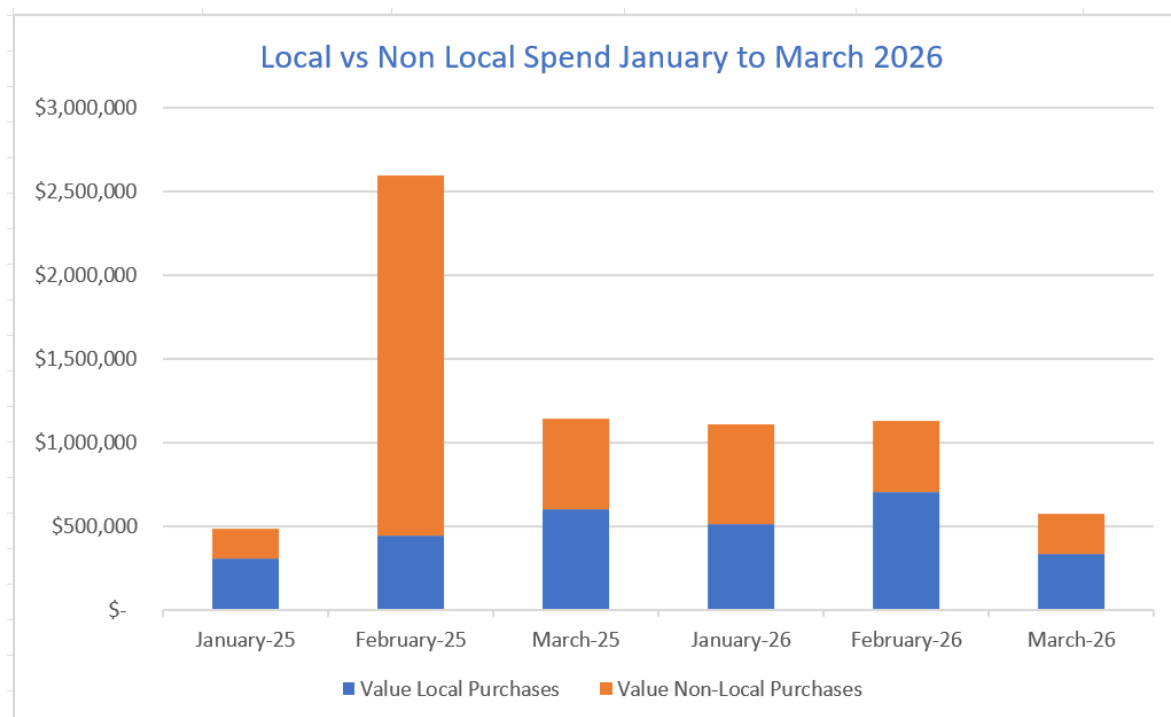
The following is a list of where we are spending money locally for goods, works or services:

- Animal Management Services
- Civic Park Toilet Block Refurbishment
- Linemarking & Linemarking Maintenance
- Tyres and Repairs
- Plant Hire & Maintenance
- Excavation & Haulage
- Paint Supplies
- Fuels and Oils
- Fabrication
- Pest Management
- Security Services
- Haulage
- Locksmith supplies/maintenance
- Signage
- First Aid Supplies
- Pre Employment Medicals
- Accommodation/Venue Hire
- Sand Replenishment
- Upholstery
- Workzone Traffic Management
- Concreting
- Event Supplies & Services
- Rubbish Collection/Weed Clean Up
- Jubilee Park Switchboard Upgrade
- General/Building Maintenance
- Electrical Works & Tagging and Testing
- Labour Hire
- Glazing
- Plumbing
- Catering
- Souvenirs for Visitor Information Centre
- Consumables
- Cleaning
- Landscape supplies
- Auto Supplies/Maintenance/Repairs
- Traffic Signal Maintenance
- Office Furniture/Stationery Supplies
- Engineering Consultancy
- Waste Management & Disposal
- Vehicle Trade In/Replacements
- Flight Bookings
- Window, Gutter & Pressure Cleaning
- Tree Removals
- Hard Waste Collection
- Point Lowly Toilet Cleaning/Litter Collection
- Pest Control

The lists above show areas of significant spend and are not exhaustive.

The following tables represent local vs non-local purchase order number and value comparison for 1 January to 31 March 2026 and includes a comparison with the previous year.

2026	January	February	March	Total
Local Purchases	198	191	225	614
Non-Local Purchases	117	93	110	320
Value Local Purchases	\$516,974	\$707,850	\$ 334,961.16	\$1,559,784
Value Non-Local Purchases	\$594,314	\$2,087,885	\$ 242,640.46	\$2,924,839
2025	January	February	March	Total
Local Purchases	195	188	227	610
Non-Local Purchases	101	102	108	311
Value Local Purchases	\$305,884	\$449,045	\$ 602,524.10	\$1,357,454
Value Non-Local Purchases	\$179,183	\$2,147,046	\$ 27,606,841.49	\$29,933,070



Note: The Annual Roadworks Program and Airport Airside Upgrade Works were removed as they skewed the graph

Non-local spend included the following tendered works and where purchase orders were raised for continuation of works/services for the financial year:

- Road Resurfacing Program
- Concrete Footpath Program
- Renewal of Koala Crossings Bradford/Lockhart and Eyre/Dowd
- Dredging Point Lowly and Whyalla Marinas
- Tendered goods/works/services

Legislation

Local Government Act (SA) 1999

Officer Direct or Indirect Interest – Nil

Risk Assessment

Non-compliance with the Procurement Policy and *Local Government Act (SA) 1999* may expose Council to reputational, legal and financial risks.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication - Nil

Conclusion

65.74% of purchase orders raised during the period **1 January to 31 March 2026** were for Goods, Works and Services from local suppliers.

3. Items for Noting

3.4 People and Culture Metrics

Audit and Risk Committee: 19 June 2026

Author's Title:

Elisha Papoulis, Manager People and Culture

File No.: 0-159

Directorate:

Corporate

Annexures:

Annexure A – People and Culture (HR) Metrics

Annexure B – Work Health and Safety (WHS) Metrics

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

☐

Yes

☒

No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☐

Yes

☒

No

Reason – Not applicable.

PURPOSE

The purpose of this report is to provide the Audit and Risk Committee (ARC) with data and detail for the People and Culture Metrics, as established at the October 2025 Audit and Risk Committee Meeting, as relevant to the Chief Executive Officer's Key Performance Indicators (KPI);

- Provide report on the specific key workforce metrics that have been established to support bi-annual reports to this Committee, as per Section 9.1 and 10.1 of the Chief Executive Officer's KPIs 2025/26
- Provide report on the 2026 Annual WHS Plan, as relevant to Chief Executive Officer (CEO) Key Performance Indicators (KPI) 10.1.

SUMMARY

Consistent with the CEO's 2025/26 KPIs, key metrics have been developed in the People and Culture space across Human Resources (HR) and Work Health Safety (WHS) functions, to ensure Council's operational and strategic risks are being appropriately managed and that governance and statutory requirements are met.

The agreed metrics and reports are attached as Annexures;

- **Annexure A** provides overview of the key People and Culture (HR) metrics.
- **Annexure B** provides overview of the agreed Work Health Safety (WHS) metrics.

RECOMMENDATION

The Audit and Risk Committee note the reports against the CEO's KPI targets and provide feedback for any additional information requested in the bi-annual reporting.

Strategic Plan – Not applicable

Legislation – Not applicable

Officer Direct or Indirect Interest – Not applicable

Risk Assessment – Not applicable

Social Considerations – Not applicable

Community Engagement – Not applicable

Environmental Implications – Not applicable

Communication – Not applicable



Whyalla City Council

People & Culture Analytics

AUTHOR: Lauren Green, People and Culture Business Partner

DATA: Louise Fiedler, People and Culture Advisor

VERSION NUMBER: 1

DATE: 10 June 2026



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1 Workforce profile and Capacity

Overall workforce numbers have reduced modestly from 160 employees (People and Culture Audit and Risk (A&R) Report, October 2025) to 155 employees (People and Culture A&R Report, March 2026). While the age distribution remains broadly consistent between reporting periods, the data highlights a significant concentration of employees in 55+ aged cohorts.

The 55+ age group represents the largest single cohort, with 58 employees currently aged 55 years and over. This proportion has remained the same since October 2025, indicating that the organisation continues to rely on a sizeable segment of employees who are approaching traditional retirement age.

The concentration of employees in the 55+ cohort presents a medium-term workforce sustainability and succession risk reinforcing the importance of strengthening proactive workforce planning, including succession management, targeted capability transfer and consideration of flexible work or transition-to-retirement arrangements, consistent with the findings of the BDO HR Planning and Management Review, to mitigate the risk of concurrent retirements impacting service continuity.

Age Group	Tenure	Head-count by Tenure	Total Headcount	Age Group	Tenure	Head-count by Tenure	Total Headcount
April 2026				Oct 2025			
0-19	0-2 years 3-5 years 5-10 years 10-20 years	1	1	0-19	0-2 years 3-5 years 5-10 years 10-20 years	2 1	3
20-34	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	23 11 3 1	38	20-34	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	17 17 6	40
35-49	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	12 8 3 8 4	35	35-49	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	7 9 4 9 9	38



50-54	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	8 1 2 6 10	27	50-54	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	3 3 2 4 9	21
55-64	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	9 7 5 10 18	49	55-64	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	4 8 6 10 18	46
65+	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	2 1 3 3 3	9	65+	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	1 3 2 2 4	12
Totals March 2026	Average Age	Average Tenure	Total Headcount	Totals Oct 2025	Average Age	Average Tenure	Total Headcount
	46.58 years	10.8 years	159		46.04 years	11.8 years	160

Note: Average age and tenure are estimated using weighted mid-points of age and tenure bands.

2 Transition to Retirement

There are no formal transition-to-retirement agreements in place. However, a small number of employees are working reduced hours, providing some flexibility as they approach retirement.

3 Attraction and Recruitment

Recruitment activity remained steady during the reporting period, with 12 recruitment processes commenced, of which five remain in progress. The average time to fill roles increased to 74 days for the January to March 2026 period, compared with 57 days reported in October 2025.

The March report identifies several contributing factors to extended recruitment timeframes, including seasonal impacts associated with the Christmas and New Year period and delays linked to specialist or senior roles. While current recruitment timeframes remain below previously referenced local government benchmarks, the upward trend in time to fill represents a potential resourcing risk if sustained, particularly for critical operational and leadership roles.



April 2026 A&R Report	Days
Metric - Average Time to Fill	
Oct 2025 – Apr 2026	68
Jul 2025 – Sep 2025	55



October 2025 A&R Report	Days
Metric - Average Time to Fill	
Jan 2025 – Jun 2025	57

4 Retention and Turnover

Employee turnover has improved significantly. The turnover rate decreased from approximately 10.6 to 10.7 per cent in the periods reported in October 2025 to 3.21 per cent for the March 2026 close out reporting.

This reduction indicates increased workforce stability, reducing risks associated with excessive churn, loss of organisational knowledge and recruitment pressure. While quarterly turnover figures can fluctuate due to small absolute movements, the overall trend is positive and provides assurance regarding workforce retention.

April 2026 A&R Report	%
Metric - Average Turnover Rate	
Oct 2025 – Apr 2026 (6M)	12.6
Jul 2025 – Sep 2025 (3M Only)	3.11



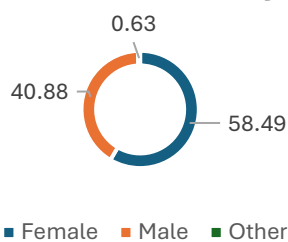
October 2026 A&R Report	%
Metric - Average Turnover Rate	
Jan 25 – Jun 25	10.6

5 Diversity and Workforce Composition

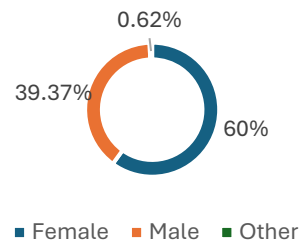
The gender composition of the workforce has remained stable across reporting periods, with 58.6 per cent female, 40.8 per cent male and 0.6 per cent identifying as Other in March 2026 (October 2025: 60.0 per cent female, 39.4 per cent male and 0.6 per cent Other).



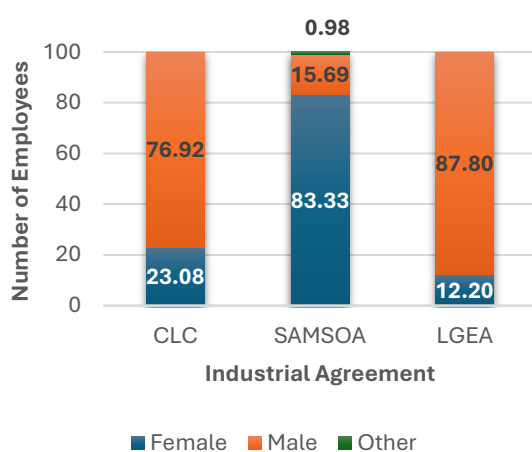
April 2026 Gender Diversity



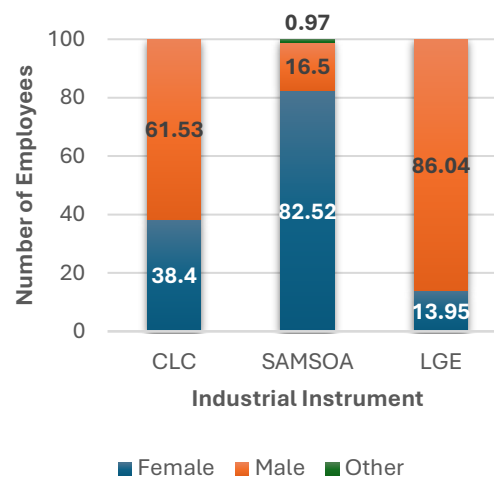
September 2025 Gender Diversity



April 2026 Gender Split by Industrial Instrument



September 2025 Gender Split by Industrial Instrument



Award-based gender patterns remain consistent with prior reporting:

- South Australian Municipal Salaried Officers Award (SAMOSA) roles continue to be predominantly female.
- Local Government Employees Award (LGEA) roles continue to be predominantly male.

A shift towards a higher proportion of males within Common Law roles (CLC) is noted since October. While numbers are small, this trend will continue to be to ensure balanced representation in leadership roles and to identify any emerging workforce or diversity risks.



6 Performance Development Plans (PDP) / Values and Behaviours and Performance Improvement Plans (PIP)

During the reporting period, mid-cycle review data indicates a 98 per cent completion rate (As of April 2026, on 28 May 2026 this is now sitting at 100%). Work is underway to realign PDP reporting with CEO KPIs.

The current PDP cycle is progressing, with close-out to commence and be completed by the end of June 2026.

There are currently no active Performance Improvement Plans (PIP) in place.

PDP – Start of Cycle	Completion %
April 2026	97%
December 2025	87%

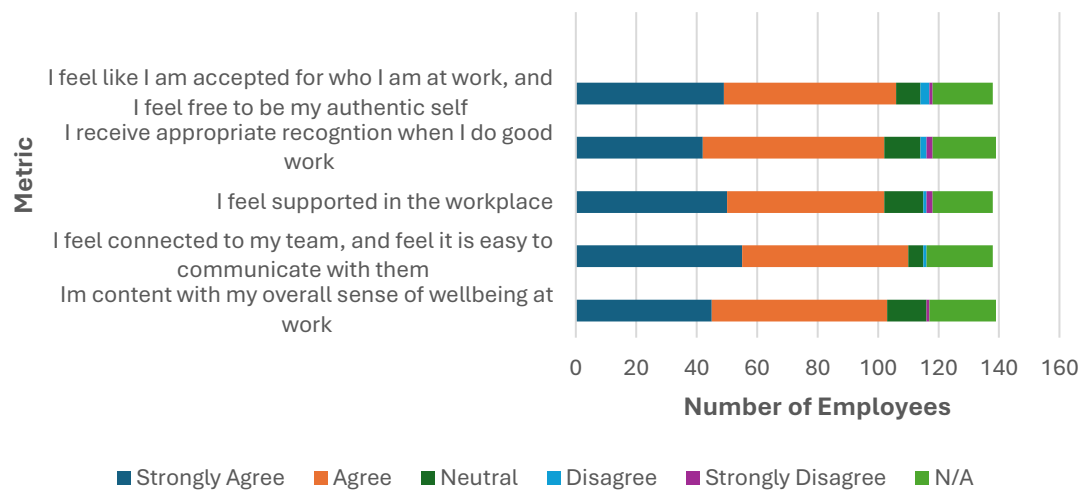
Wellbeing continues to be monitored through five voluntary questions within the PDP process, with participation rates varying across questions.

Survey results for both October 2025 and April 2026 indicate generally positive outcomes, with the majority of respondents reporting favourable perceptions across overall wellbeing, connection and communication, support, recognition and inclusion. Results remain broadly consistent across the reporting period, with some variation in response volumes due to the voluntary nature of the questions.

Values ratings are not currently captured, as this component was removed from the start-of-cycle PDP process. This is being reintroduced across all PDP cycles to support more comprehensive reporting.



Wellbeing - Start of Cycle



	Overall Wellbeing	Connection & Communication	Support	Recognition	Inclusion
Strongly Agree	45	55	50	42	49
Agree	58	55	52	60	57
Neutral	13	5	13	12	8
Disagree	0	1	1	2	3
Strongly Disagree	1	0	2	2	1
No Answer	22	22	20	21	20

Whyalla City Council

Work Health Safety Analytics

AUTHOR:	Ellisha Papoulis, Manager People and Culture
DATA:	Visnja Kingi, Work Health Safety and Risk Advisor
VERSION NUMBER:	1
DATE:	28 May 2026



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1 CEO KPI

Reference	Goal	Objective	KPI	Target
Item 1	Goal 9 - Organisational Performance (9.1) (WHS METRICS)	“Develop and report on WHS (Including LTI Days) metrics to support Organisational Development...”	WHS (Including LTI Days) half-yearly update on performance against key workforce metrics established by end of September 2025. First report to Audit and Risk Committee October 2025. Biannual reports provided to Audit and Risk Committee.	Milestones met by due dates
Item 2	Goal 10 - Risk Management and Compliance (WHS ANNUAL PLAN)	Maintain a healthy and safe workplace by developing and implementing a WHS annual work plan to ensure compliance with all WHS legislation and report biannually to Audit Committee on progress	Annual WHS Plan developed by end of August 2025 Bi-annual Reports provided to Audit and Risk Committee (as per 9.1)	Milestones met by due dates



Item 3	Goal 10.1 - Risk Management and Compliance (BASELINE MEASURES)	Baseline measures are reported against 2024/2025 Workers Compensation Data	(As per 9.1) Half yearly updates on performance against key workforce metrics established by end of September 2025. First report to Audit and Risk Committee October 2025.			Milestones met by due dates
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2 Work Health Safety (WHS) Measure and KPI Baseline

WHS Measure	KPI Baseline	April 25 – Sep 25	Oct 25- April 26	Organisational KPI
Workers Compensation Claims	12	3	6	●
Lost Time Incidents	6	3	2	●
Lost Time Incident (Days)	62	178	61	●
Medical Treatment Injuries (MTI)		1	0	
Total Incidents		72	53	
Total Incidents with Injuries	-	16	21	
First Aid Incidents	-	7	15	
Near Miss Reports	8	1	2	●
Hazard Reports Lodged	-	3	16	



3 Commentary around WHS Measure and KPI Baseline

The Organisational KPI was based on the results of Work Health Safety (WHS) 2024/2025 performance. Caution should be exercised when benchmarking current WHS performance against historical internal results, alone and not whether not achieving or exceeding is viewed as a negative or positive. While historical organisational data provides useful trend information, comparisons can be impacted by changes in reporting practices, workforce demographics, operational activities and safety culture.

Benchmarking against the Local Government Risk Services (LGRS) portfolio would provide a more consistent and meaningful assessment of Council's WHS performance relative to comparable local government organisations and industry trends.

Workers Compensation Claims

Whilst the total number of workers compensation claims remains below the established KPI baseline, total number of claims alone does not fully reflect the impact of workplace injuries on the organisation. Current claims have resulted in a total of 239 lost time days, demonstrating the significance of several individual claims.

Key contributors to lost time include:

- A psychological injury claim was determined in January 2026 and applied retrospectively to September 2025. This determination contributed a significant increase over the previous 6-month reporting period, and within the current period. The days are not yet reconciled with the Local Government Risk Services Workers Compensation Portal and are expected to increase. Plans are in place for a graduated Return to Work in June 2026.
- A serious injury resulting from a fall in October 2025, which required two surgical procedures and an extended recovery period, has contributed 58 lost time days to date. The worker returned to work on a graduated return to work plan, having now returned to full hours and is receiving ongoing Medical Treatment, expected to return to full duties in the coming months. Due to requiring surgery, the incident was reported to Safework SA as a precaution; and received as a Report Only as the individual did not require immediate inpatient medical treatment.
- A head laceration caused by a falling object in October 2025, also resulted in 3 lost time days during the current reporting period. The worker returned to work after receiving stitches on reduced duties, and the claim is now finalised. Due to



being a head laceration, the incident was reported to Safework SA and received as a report only and the individual did not require immediate inpatient treatment.

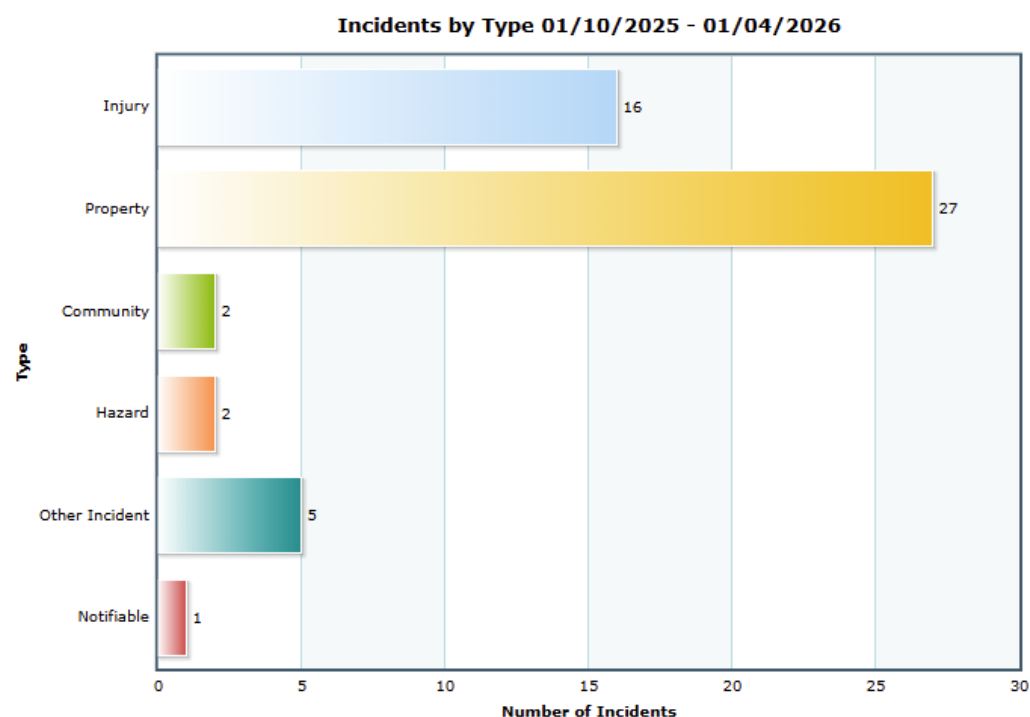
Accordingly, while claim numbers remain lower than the previous year, the severity and duration of individual claims have had a substantial impact on organisational lost time outcomes.

Near Miss Reports

Despite being less than last year's number and below the metrics, the low number of Near Miss Reports, when considered alongside the volume of actualised incidents, can be perceived as an area of improvement. This may suggest there are opportunities to strengthen proactive hazard identification and reporting. Near miss reporting is a key lead indicator that enables hazards to be addressed before they result in injury, damage, or other incident outcomes

Total Number of Incidents

Of the total incidents reported, 27 were attributed to Property Damage. Five (5) of the 27 (27) were related to Council operation of vehicles where a stone chip had cracked or chipped the front windscreen. The remainder of incidents are linked to damage at Council properties or workplaces, which include damage to vehicles and windows from rock throwing, attempted break in/smashing of doors/vandalism. Given the prevalence, since December 2025 SAPOL is now contacted each time Council property is damaged.



First Aid Incidents

There has been an increase in reported first aid incidents, with a trend of minor injuries sustained by educators at the Whyalla Early Learning Centre. These incidents accounted for five (5) of the reports recorded between October 2025 and December 2025.

While the increase may initially appear concerning, it may also indicate improved reporting practices across the organisation, consistent with the requirements of our WHS, Injury Management, and Incident Investigation Policy and Procedure. This suggests a stronger reporting culture and greater compliance with incident notification processes. Monitoring and education around First Aid and First Aid injuries will occur in the June period.

Hazard Reporting

Similar to First Aid Incidents, an increase in Hazard Reports should not necessarily be viewed negatively and may reflect improved reporting and hazard awareness. A current challenge is the use of multiple systems, with safety-related issues often being recorded as a record in Synergy which supports a 'Customer Request' to Building Maintenance, rather than Skytrust.

Further work is required to reinforce Skytrust as Council's primary Work Health and Safety Management System (**WHSMS**) and central reporting platform.

As demonstrated by the Whyalla Early Learning Centre, when hazards, audit findings and non-conformances are captured within Skytrust, they can be effectively monitored through the Corrective and Preventative Action Register, providing greater organisational visibility, oversight and governance through the Work Health Safety Committee and Executive Leadership Team.

10/10/2025	VIC POD	Gravitational – Slip, Trip, Fall	Steps loose at the back	Closed
10/10/2025	VIC POD	Mechanical - Struck by Objects (Impact)	Sliding door not signed	Closed
4/11/2025	Civic Park Playspace	Gravitational - Slip / Trip / Fall	Written report require for impact attenuation - play area	Closed
5/11/2025	Whyalla Early Learning Center	Mechanical – Mobile Plant/Vehicles/Pedestrians	Near miss – vehicle entry	Closed



13/11/2025	Civic at Grundel St	Environmental – Workplace terrain	Fallen tree limb	Closed
3/12/2025	VIC	Physical – poor visibility	Missing AED signage	Closed
19/1/2026	Airport	Physical – poor visibility	Missing AED Signage	Closed
23/2/2026	Civic at Grundel St	Mechanical – Struck by objects, impact	Doors in Civic Reception are a hazard	In progress
18/3/2026	Civic at Grundel St	Mechanical – Struck by objects, impact	Lack of PPE - Contractor	Open
19/3/2026	Civic Park Playspace	Gravitational – Slip, Trip, Fall	Concerns for ease of access to toilets and fall concerns	Closed
8/4/2026	Civic Grundel St	Ergonomical (Biomechanical)	Chamber door is hard to close	In progress
29/4/2026	Whyalla Early Learning Center	Gravitational – Falling objects	Loose bricks needs to be cladded	Closed
29/4/2026	Whyalla Early Learning Center	Gravitational – Slip, Trip, Fall	Stormwater drains need covering	Closed
29/4/2026	Whyalla Early Learning Center	Gravitational – Slip, Trip, Fall	Uneven surfaces	Closed
30/4/2026	Whyalla Early Learning Center	Biological – Infectious Diseases	Connect handwashing basins to warm water	In progress
5/5/5026	Whyalla Early Learning Center	Ergonomic (Biomechanial)	Potential for injury – nappy change table	In progress
5/5/2026	Whyalla Early Learning Center	Gravitational – Slip, Trip, Fall	Ramps do not meet disability requirements	In progress
13/5/2026	Civic on Grundel St	Ergonomic	Replace chairs	Closed
19/5/2026	Civic on Grundel St	Environmental – insects/vermin	Wooden tables - termites	In progress
19/5/2026	Civic on Grundel St	Gravitational – Slip, Trip, Fall	Door stops to be removed	In progress



25/5/2026	Library	Psychological – threatening behaviours	Homeless/drug use near the library	Closed
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4 Work Health Safety Plan – Rebate Plan 2026

The 2025 Plan concluded at EOM September 2025. Council achieved 48 of 48 actions of the plan, representing a 100% completion result.

The 2026 Rebate Plan was adopted in November 2025 following the Plans and Programs Review. To date, 26 of 43 actions have been completed or are pending final review, representing an estimated completion rate of 60.47%.

The remaining components of the plan relate primarily to the finalisation and implementation of:

- Drug and Alcohol procedures;
- Fitness for Work education and induction;
- Contractor Management consultation, adoption and endorsement;
- Volunteer management requirements; and
- Hazard Management review activities.

The 2026 Plan concludes EOM September 2026 with 100% completion viewed as achievable.

5 Training Needs Analysis Compliance

The Training Needs Analysis identifies a total of 5,677 organisational training and competency items, with 4,233 items completed, representing an overall compliance rate of 74.57%.

Previous historical data capture from September 2025 reported a 56% compliance, followed by 61% in January 2026. This does demonstrate a positive increase in compliance performance over the past 12 months.

Key contributors to the increase in compliance include:



- Consistent monthly escalation and reporting to People Managers
- Ongoing review and monitoring of critical and high-risk competencies;
- Continued focus on embedding organisational training and competency expectations.
- Efforts to modernise and streamline training booking processes.

Areas for improvement include:

- Majority of non-compliance is related to online inductions
- A firmer approach with escalations to the Work Health Safety Committee and Executive Leadership Team
- Exploration of consolidation opportunities within elements of the Training Needs Analysis modules to reduce the number of inductions
- Artificial Intelligence (AI) tools are being considered to support the delivery of inductions and training content in a more engaging and accessible format, particularly for workers with varying language, literacy, numeracy, and digital learning capabilities to make inductions more engaging.

3. Items for Noting**3.5 Internal Audit Report – Human Resource Planning and Management****Audit and Risk Committee** 19 June 2026**Meeting:**

Author's Title: Elisha Papoulis – Manager People and Culture
 Lauren Green – People and Culture
 Business Partner

File No.: 0-159

Director: Corporate**Annexures****Annexure A:** Internal Audit Report – Human Resource Planning and Management**Officer Direct or Indirect Conflict of Interest:***In accordance with Local Government Act 1999, Section 120*☐

Yes

☒

No

Status:*Information classified confidential under Section 90(2) of the Local Government Act*☐

Yes

☒

No

Reason – not applicable**DISCUSSION**

As Council's Internal Auditor, BDO Advisory (BDO) was engaged by Whyalla City Council to evaluate the adequacy of Whyalla City Council's Human Resource Planning and Management processes to ensure current and future skills and service requirements are met.

The project, the fourth identified in the Council's internal audit plan, began in February 2026, with the final report delivered on schedule.

The project was conducted in consultation with key Whyalla City Council Human Resources representatives, across the scope of Identification of skills requirements for;

- Attraction and retention of staff
- Training and professional development
- Resource allocation
- Succession planning
- Staff culture/wellbeing
- Industrial relations requirements

The report will be presented by representatives from BDO.

Financial Implications

BDO quoted a price of \$19,950.00 (GST exclusive) plus outgoings which are billed at cost and kept to a minimum as agreed, prior to being incurred. These costs are incorporated in the current budget for internal audit services. The costing is in line with the original estimate for this project set between \$16,000 to \$20,000 in February 2024.

RECOMMENDATION

The Audit and Risk Committee note the Human Resources, Planning and Management Review.



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Whyalla City Council

HR Planning & Management Review

May 2026



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Executive summary

Background

As part of the internal audit Plan 2022/23 - 2025/26 for Whyalla City Council (WCC) an internal audit of HR planning and management was planned to address the risk of 'lack of effective organisational development and human resource strategy.' This risk was assessed as a 'moderate' residual risk in the strategic risk assessment conducted in October 2023.

Objectives

The objective of this project was to assess the adequacy of WCC's human resource planning and management processes to ensure current/future skills and service requirements were met.

Scope and approach

The scope of the Human Resources Planning and Management Review considered processes and internal controls relevant to:

- ▶ Identification of skills requirements
- ▶ Attraction and retention of staff
- ▶ Training and professional development
- ▶ Resource allocation
- ▶ Succession planning
- ▶ Staff culture and wellbeing
- ▶ Industrial relations requirements.

The project also assessed operational compliance with WCC's Human Resource (HR) management policies and procedures.

Appendix 1 details the approach undertaken to perform this review.

Disclaimer

BDO limited the procedures performed during this internal audit project to inquiries of relevant personnel, inspection of evidence and observation of, and enquiry about, the operation of the control procedures for a small number of transactions or events.

Our procedures are not designed to provide assurance as defined by the Australian Auditing Standards (AUASB Standards) and an audit opinion was not expressed in this report. An internal audit project does not provide all of the evidence that would be required in an audit.

The matters raised in this report are only those that come to our attention during the course of performing our procedures and may not necessarily be a comprehensive statement of all the weaknesses that may exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, comply with laws and regulations and avoid fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist.

Our report was prepared solely for the internal use of WCC. No responsibility to any third party shall be accepted, as our report has not been prepared, and is not intended, for any other purpose. The responsibility for determining the adequacy or otherwise of the procedures performed by BDO is that of WCC management and the procedures performed are solely to assist you in assessing the processes reviewed by BDO.

WCC should assess management actions for their full commercial impact before they are implemented.

Overall assessment

The rating, provided in the table, reflects our overall assessment of the control environment that was assessed by this review. Appendix 2 outlines the differing rating levels and their respective definitions.

Engagement Summary		
Objective	The objective of this project was to assess the adequacy of Whyalla City Council's (WCC) human resource planning and management processes to ensure current/future skills and service requirements were met.	
Conclusion	Overall, Whyalla City Council's HR planning and management processes and controls are assessed as partially effective in supporting workforce capability, capacity, and the management of people-related risks. In some areas, including PDP completion, WHS documentation, and the organisational culture development initiative, processes and controls are operating as intended and demonstrate sound practice. However, the absence of integrated and fully operationalised strategic workforce planning, resource allocation and succession planning represents a key weakness in the overall HR governance environment. While elements of workforce planning, talent management, retention, and training activities exist, these are not consistently integrated to provide leadership with a consolidated, forward-looking view of workforce capability, succession risk, and future service delivery requirements. In addition, limitations in workforce analytics, inconsistent use of HR data, and the absence of clearly defined organisational expectations for mandatory training completion reduce Council's ability to proactively identify, monitor, and respond to emerging workforce, capability, and compliance risks. Key issues noted from the engagement included: • Absence of Strategic Workforce Plan • Absence of Resource Allocation and Succession Planning • Weak Articulation of the Employee Value Proposition and Limited Attraction Capability • Insufficient Strategic Insight into Workforce Retention • Absence of Performance Development Plan Guidance • Outdated and Incomplete HR Policy Framework • Incomplete Work Health and Safety Competencies • Unstructured Employee Health and Wellbeing Framework • Low Completion Rates for Mandatory Training These have been raised as 'high risk' (x1) 'medium' risks (x8) and are further explained in the Summary of Issues and Recommendations table below.	Rating
		Partially Effective

Good practices

The review identified that WCC has established and maintained a variety of good practices in relation to HR planning and management as noted below:

Good Practices	
1. PDP Completion Rates	Through review of Council's performance and development documentation, we examined the 2025-2026 Personal Development Plan (PDP) data. The review focused on the extent of PDP completion, evidence of managerial and HR oversight, and the effectiveness of monitoring controls. We identified: • High rate of PDP completion and sign-off by the relevant People Manager (96%) • End-to-end accountability built into the PDP process • Consistent application across directorates • Ongoing completion monitoring and management oversight. Our review suggests that the PDP process appears to be well embedded and actively managed, supporting Council's broader performance, development and wellbeing objectives.
2. Organisational Culture and Leadership Development	Whyalla City Council has demonstrated a strong and deliberate commitment to building a positive organisational culture, commencing with a significant culture development initiative around 2023. Consistent with established management research (including Mintzberg, Drucker and Ashkanasy), Council recognises organisational culture as a key driver of performance and long-term success. In 2025, Council engaged an external provider to undertake a Culture Values Assessment. This assessment identified a range of positive cultural attributes within the organisation, including family, honesty, respect and caring, while also highlighting areas for development such as hierarchy, bureaucracy, confusion and blame. Council has effectively leveraged these insights to define a clear target culture, articulated through the Whyalla City Council Values and Behaviours Framework 2026. Recognising that sustainable culture change requires coordinated effort over time, Council—working with the external provider—has developed a comprehensive Culture and Leadership Development Plan (February 2026). The Plan is clearly aligned to Council's strategic direction and positions culture and leadership as key enablers of organisational success. It outlines a structured program of initiatives at individual, divisional and organisational levels, supported by an indicative implementation timeline from March 2026 to December 2027. Progress is planned to be monitored through six-monthly pulse surveys, supporting ongoing insight and course correction. This structured, evidence-based approach reflects good practice in managing organisational culture, particularly given the inherently complex and less tangible nature of culture change. Council's continued focus, sustained leadership commitment and disciplined monitoring will support momentum and maximise the long-term benefits of the initiative. We recommend maintaining strong commitment to the implementation and review of the Culture and Leadership Development Plan, including six-monthly progress tracking as planned, will assist Council to embed a positive, high-performing organisational and leadership culture over the medium term.

Summary of Issues and Recommendations

The table below provides a high-level overview of each recommendation, its risk rating, the responsible officer and their position, and the date by which the recommendation will be implemented. The listed recommendations, responding actions and expected dates for implementation have been discussed with key stakeholders. A detailed summary of each recommendation and its respective findings is provided in this report under section **Detailed Findings**. The risk ratings are based on BDO Priority Ratings outlined in Appendix 3.

We acknowledge that the findings will require a number of management actions to address the recommendations made in this report. The management actions detailed in the Detailed Findings and Recommended Actions section vary in complexity and we note that interdependencies may exist. We are cognisant that implementation of these actions will require considerable planning and allocation of resources, noting that the current P&C team is very small with a lack of HR experience across newer team members. As such, we acknowledge that some actions may need to be outsourced to specialist providers to address internal resource constraints. We recommend that WCC develop an overarching road map to address the more complex recommendations, with staged milestones to provide incremental uplift in HR planning and management over a two-to-three year period.

Commented [T01]: Acknowledge that small team with and lack of experienced resources - may need to outsource components of the recommendations in this report.

Commented [T02R1]: See new paragraph.

Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
1. Absence of Strategic Workforce Plan	High	1.1 WCC to develop a Strategic Workforce Plan that will identify current and anticipated skill requirements, aligned to Council's strategic goals, including an organisation-wide training needs analysis, and how to address these needs. We have included Suggested elements of a Strategic Workforce Plan (refer Appendix 4) which may provide useful information for Council.	1.1 <u>WCC has not had a strategic workforce plan and do not view the inherent risk to be High. Rather, WCC view the risk as Moderate.</u> <u>WCC acknowledges the need for a structured approach to workforce planning and will develop a roadmap for the delivery of a Workforce Plan, informed by Appendix 4 of this report and Julie Sloan's Workforce Planning Guide. The roadmap will consider organisational priorities, timeframes and available resourcing, including activities delivered internally and those requiring external specialist support.</u>	Manager People and Culture	<u>December 2027 July 2027</u>

Commented [T03]: Consider putting in the development of a Road Map as the key action here considering also how ACC will address resourcing (e.g. outsource v in-house) etc.

Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
2. Absence of Resource Allocation and Succession Planning	Moderate	2.1 WCC to clarify resource allocation and succession planning across the organisation via implementation of Stages 2 and 3 of the Talent Management Strategy.	2.1 Talent Management Strategy to be reviewed in alignment with this report and implementation on Stage 2 to commence from July 2027.	Manager People and Culture	July 2027
3. Weak Articulation of the Employee Value Proposition and Limited Attraction Capability	Moderate	3.1 WCC to undertake research to define its EVP which should then be published and promoted.	3.1 WCC will undertake research and consultation activities to define and articulate its Employee Value Proposition (EVP), with consideration to organisational culture, benefits, workforce strengths and attraction opportunities.	People and Culture Advisor	~~October 2026~~ December 2026
		3.2 WCC to develop a 'whole of organisation' Attraction Strategy drawing on existing plans and documents within council, with a focus on developing a targeted strategy for filling key/critical vacancies.	3.2 WCC will develop a whole of organisation Attraction Strategy to support workforce attraction, succession planning and recruitment outcomes, with consideration to critical and hard-to-fill roles, workforce trends and available organisational resourcing.	People and Culture Business Partner	December 2026
4. Insufficient Strategic Insight into Workforce Retention	Moderate	4.1 WCC to collect and analyse retention data over a longer time scale and extrapolate future workforce and resource trends to inform a develop a 'whole of organisation' retention strategy.	4.1 WCC to improve workforce data analysis and reporting to better understand employee retention trends, workforce risks, culture and pulse surveys, and future staffing needs across the organisation and review;	People and Culture Advisor	~~Commence Data Collection from July 2026~~
			1. Why employees leave 2. Which areas have higher turnover 3. What roles are difficult to retain	People and Culture Business Partner Manager People and Culture	~~July 2028~~ ~~May 2028~~

Commented [T03]: Consider putting in the development of a Road Map as the key action here considering also how ACC will address resourcing (e.g. outsource v in-house) etc.

Commented [EP4]: Attraction, recruitment and retention.

Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
			4. Upcoming retirements or workforce gaps 5. Trends in absenteeism, tenure and recruitment 6. Future workforce and resourcing pressures		
5. Absence of Performance Development Plan Guidance	Moderate	5.1 WCC to finalise, approve and circulate the Professional Development Policy and Procedure.	5.1 WCC will endeavour to complete this work by June 2026, in alignment to inform and guide the 2026/2027 PDP rollout.	People and Culture Advisor	July 2026
		5.2 WCC to develop a PDP User Guide and training to convey the importance and value of the process for the individual as well as the organisation as a source to identify skill requirements, noting that PDP goal setting should be expressly linked to divisional and organisational priorities.	5.2 WCC will endeavour to complete this work in alignment with the 2026/2027 PDP Cycle 1 commencement, due August 2026.	People and Culture Advisor	July 2026
		5.3 Data and information ~~relating to competencies~~ that is collected via the PDP process to be analysed at a divisional and whole of organisation level to determine skill and knowledge requirements.	5.3 WCC will commence this work, with focus on ensuring clear data fields in rollout of the 2026/2027 cycle in August, and closure of the 2026/2026 PDP cycle, post June 2027 for presentation to Executive Leadership Team.	People and Culture Business Partner	~~September 2026~~ August 2027
6. Outdated and Incomplete HR Policy Framework	Moderate	6.1 WCC to prioritise the finalisation, approval and circulation of the following draft policies and procedures: Professional Development Policy and Procedure	6.1 WCC recognises the importance of employee recognition in supporting engagement and organisational culture. Any reward and recognition initiatives must be equitable, transparent,	~~XXXX~~ People and Culture Business Partner Manager People and Culture	~~XXXX~~ March 2027

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competencies aren't collected, but further professional development can be forecast and will then go through the Training and Development Process.

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Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
		- Recruitment and Selection Policy - Rewards and Recognition Policy and Procedure.	<u>consistently applied and aligned with industrial obligations, governance requirements and appropriate use of public resources.</u> <u>No/low cost initiatives already undertaken and/or to be further explored:</u> <u>peer recognition</u> <u>values and behaviours recognition</u> <u>service milestones</u> <u>safety recognition</u> <u>formal award program participation with governance oversight</u> <u>Recruitment and Selection Policy and Procedure is in progress.</u>		
		6.2 WCC to prioritise the development of the following HR policies and procedures: - Separation Policy and Procedure - Eligibility for Re-employment Policy and Procedure - Classification and Reclassification Procedure.	<u>6.2 Eligibility for re-employment can be written into Recruitment and Selection and does not require a standalone POLPRO.</u> <u>Classification and Reclassification Policy and Procedure to be developed.</u>	~~XXXX~~Manager People and Culture	~~XXXX~~October 2027
7. <u>Incomplete Work Health and Safety Competencies</u>	Moderate	7.1 WCC to extend the current WH&S focus on training and professional development to a whole of organisation review of worker competence.	<u>WCC will review its HR Induction and Training processes for opportunity combine the WHS or HR process to incorporate a wider organisational lense.</u> 7.4	WHS & Risk Advisor People and Culture Advisor~~XXXX~~	November 2027~~XXXX~~

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Commented [EP8]: The purpose of our TNA accounts for the legislated and best practice requirements, in addition to Council's current role requirements in respect to WHS obligations. Whilst it is endeavoured to expand to a professional development TNA, the known requirements of each job are demonstrated through our PD Library.

Each individual's professional development will look different dependant on their level of experience. To lock into a fixed Professional Development TNA would only be a *point in time* review. Our EA supports Council as a continuous Learning Organisation; our Professional Development Training and Development application process allows for workers and their people manager to identify training to support professional development of staff.

Open to reviewing opportunity for improvement but reluctant to commit to a whole of organisation competence TNA as this is found in the required criteria in Position descriptions, and any key/legislated items (eg - Childcare RHAN training, Airport ASIC licence etc) is an enormous body of work to formulate akin to a TNA.

Commented [EP9]: TNA is not WHS specific only. Suggest meet to discuss.

Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
8. Unstructured Employee Health and Wellbeing Framework	Moderate	8.1 WCC to prioritise development a Health and Wellbeing Policy and Procedure with links to wellbeing related guidelines.	8.1 <u>WCC will review the existing LGRS WHS Framework rollout to explore leverage of existing Policy and Procedure.</u>	~~XXXX~~ WHS & Risk Advisor	~~XXXX~~ November 2026
		8.2 WCC to develop a detailed action plan to support the implementation of the WH&S Vision Statement 25.	8.2 <u>The Work Safety Live Fully Vision statement will be reviewed for the 2026/2027 period with a plan attached to be adopted by ELT.</u>	~~XXXX~~ Manager People and Culture	~~XXXX~~ July 2026
9. Low Completion Rates for Mandatory Training	Moderate	9.1 Formally define and monitor minimum training completion targets for staff, roles, and competencies, with explicit thresholds for high-risk and legislatively mandated training.	9.1 <u>The Training Needs Analysis (TNA) is deemed mandatory.</u> <u>Options for outsourcing configuration changes to the Skytrust system are currently being investigated (critical and high-risk competency/licence/ticket/training to be categorised). This would enable specific reporting on high-risk items and provide clearer monitoring capabilities.</u>	~~XXXX~~ Manager People and Culture	~~XXXX~~ September 2026
		9.2 Implement targeted escalation processes for specialised and senior management roles where non-completion presents heightened governance risk.	9.2 <u>The Training and Development procedure provides escalation pathways to People Managers, the Work Health Safety Committee, Joint Consultative Committee (where required) and Executive Leadership Team.</u> <u>Review of frequency and thoroughness for improvements to occur in line with 9.1, where</u>	~~XXX~~ Work Health Safety and Risk Advisor	~~XXXX~~ September 2026

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Commented [EP10]: LGRS Framework rollout?

Commented [T011R10]: Include in management responses

Commented [EP12]: This is already covered in a training and development procedure.

Commented [T013R12]: Include in management Responses

Issue Title	Risk Rating	BDO Recommendation	Management Action Plan	Responsibility Officer & Position	Delivery Date *
			training items can more easily identifiable as critical/high risk.		

Commented [T03]: Consider putting in the development of a Road Map as the key action here considering also how ACC will address resourcing (e.g. outsource v in-house) etc.

Improvement opportunities

An improvement opportunity (rather than any control gap) was identified during this Internal Audit project. Given the nature of the observation, it has not been prioritised using the framework outlined in Appendix 3 but is presented for WCC's consideration in the Improvement Opportunities section of this report.

Detailed findings

1. Absence of Strategic Workforce Plan

High

Finding

Strategic Workforce Plans are not a formal requirement in the Local Government Act, however, with labour, skill and experience shortages in the employment market it is 'better practice' to be proactive in attracting, developing and retaining suitable staff. A Strategic Workforce Plan is typically used to identify the current and future skill requirements as well as the processes for sourcing such resources.

In the absence of Strategic Workforce Plan, a skills analysis/audit or training needs analysis can also assist in identifying current and future skill requirements. We understand that WCC does not currently have a Strategic Workforce Plan, nor has it undertaken a skills analysis/audit or skills based training needs analysis.

The P&C team presented a Talent Management Strategy (July 2025) to the Leadership Group which proposes a three-stage approach:

- Stage 1 - Talent Review
- Stage 2 - Workforce Planning (including Succession Planning and Development Planning)
- Stage 3 - Managing Performance Program.

The aim of the Talent Management Strategy is to '*understand our workforce planning needs on a rolling 2-year period together with our retention risks and overlaying that with an understanding of the performance and capability of the workforce, Council can better understand future skills gaps and put succession plans and /or development plans in place to ensure the stability of Council's operations going forward.*'

Discussions and walkthroughs with the P&C team, indicate that Stage 1 was completed in late 2025, however Stages 2 and 3 have not yet commenced as these stages are contingent on the Culture and Values Framework which was recently redeveloped.

In addition, we were provided with a series of WCC artefacts which contribute to workforce planning as follows:

- Career Pathways Framework 2022-2025 which outlines Councils' commitment to developing and mentoring trainees, graduates, cadets and apprentices. The document includes a Career Pathways Cycle with workforce planning-related elements
- Organisation charts for the five divisions across Council detailing the current incumbents as well as roles that are vacant
- People and Culture Analytics report (Sept 2025) prepared for the Audit and Risk Committee summarising key metrics across the WCC workforce
- A 2025/26 Training Needs Analysis (TNA) which is limited to mandatory training requirements (predominantly WHS and HR-related training) which includes a future-focused schedule of mandatory training. The TNA does not consider broader training requirements to fulfil position duties.

While these documents provide useful information, they do not provide a strategic lens for workforce planning including consideration of alignment to the strategic plan, growth management, or response to local challenges.

Implication

Without a current Strategic Workforce Plan, including an organisation-wide training needs analysis to determine individual and collective skill gaps, Council may be unable to deliver its strategic goals and sustainably meet current and future service delivery needs. This may impact the capacity for growth, putting the LTTP at risk as well as customer and stakeholder satisfaction.

Recommendations

Ref	Recommendations
1.1	WCC to develop a Strategic Workforce Plan that will identify current and anticipated skill requirements, aligned to Council's strategic goals, including an organisation-wide training needs analysis, and how to address these needs. We have included Suggested elements of a Strategic Workforce Plan (refer Appendix 4) which may provide useful information for Council.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
1.1	~~XXXX~~WCC has not had a strategic workforce plan and do not view the inherent risk to be high. Rather, WCC view the risk as moderate. WCC acknowledges the need for a structured approach to workforce planning and will develop a roadmap for the delivery of a Workforce Plan, informed by Appendix 4 of this report and Julie Sloan's Workforce Planning Guide. The roadmap will consider organisational priorities, timeframes and available resourcing, including activities delivered internally and those requiring external specialist support.	~~XXXX~~ Manager People and Culture	~~XXXX~~ July 2027

2. Absence of Resource Allocation and Succession Planning

Moderate

Finding

WCC has identified the current workforce profile and vacancies across its five divisions however there is no documentation describing how the organisation intends to fill current vacancies or allocate resources. While the draft Recruitment and Induction Policy describes the organisation’s commitment to merit-based recruitment, this represents just one approach for securing the necessary employees with the required skills.

The Skills SA ‘Jobs and Skills Outlook for SA 2024’¹ report outlines that there will likely be an employee, skills and experience shortage due to baby boomers leaving the workforce compounded by growing demand in the defence and mining sectors. The report also describes ‘regional workforce fragility’ and make specific reference to local government.

This contextual information highlights the need for a planned and systematic approach to replacing experienced workers who are retiring as well as filling normal vacancies. Doing so maintains service continuity, mitigates risk and importantly reduces the dependence on sourcing skills and labour from the open market.

As noted in Finding #1, Stage 2 of the Talent Management Strategy includes consideration of succession planning as part of the workforce planning, which should assist in addressing position vacancies, however, this exercise has not yet been undertaken.

Implication

Without an integrated workforce and succession plan, Council may be unable to sustainably meet current and future service delivery needs. This increases exposure to skill shortages, prolonged vacancies, and loss of critical capability.

Recommendations

Ref	Recommendations
2.1	WCC to clarify resource allocation and succession planning across the organisation via implementation of Stages 2 and 3 of the Talent Management Strategy.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
2.1	Talent Management Strategy to be reviewed in alignment with this report and implementation on Stage 2 to commence from July 2027.	XXXX Manager People and Culture	XXXX July 2027

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¹ skills.sa.gov.sa

3. Weak Articulation of the Employee Value Proposition and Limited Attraction Capability

Moderate

Finding

Council presented a series of plans, policies, documents and reports that indirectly describe the features and benefits of the City of Whyalla and council as a positive employer, however, there does not seem to be a clearly articulated Employee Value Proposition (EVP).

The WCC website does have a 'Careers at Council' page that describes the services and values of the organisation as well as that it is a 'welcoming and inclusive workplace'. These descriptions are largely generic and do not differentiate Council from most other responsible employers.

An effective EVP is typically the starting point to attract potential employees and comprises a bundled set of elements that include, remuneration, conditions, career prospects, values and additional benefits. It is also an essential factor in retaining staff as they are able to appreciate their current 'employment package' when compared to possible alternatives.

The People and Culture Analytics report (Sept 2025) includes a section titled 'Attraction' which described the average time in days taken to fill vacancies (57). It did not mention Council's EVP nor did it describe any methods used to attract staff to council other than advertising.

Once an organisation has defined its EVP it is then in a position to develop its Attraction Strategy. WCC did not provide any documentation, plan or strategy to attract potential employees to the organisation.

Attraction strategies can range from general 'whole of organisation' approaches to those that are targeting a particular set of skills. The 'messaging' can be delivered through a variety of channels depending on the audience.

Rural locations will often highlight location and lifestyle benefits as well as flexible and family friendly offerings. They can also be seen as a way to fast-track careers or for those seeking a career change.

Implication

The absence of a defined EVP and attraction strategy may limit Council's ability to attract suitably skilled candidates. This may exacerbate workforce gaps, particularly in a competitive regional labour-market.

Recommendations

Ref	Recommendations
3.1	WCC to undertake research to define its EVP which should then be published and promoted.
3.2	WCC to develop a 'whole of organisation' Attraction Strategy drawing on existing plans and documents within council, with a focus on developing a targeted strategy for filling vacancies.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
3.1	Talent Management Strategy to be reviewed in alignment with this report and implementation plan for Stage 2 to commence from July 2027. ~~XXXX~~	~~XXXX~~ Manager People and Culture	~~XXXX~~ July 2027

3.2	WCC will undertake research and consultation activities in 2026 to define and articulate its Employee Value Proposition (EVP), with consideration to organisational culture, benefits, workforce strengths and attraction opportunities for finalisation and distribution March 2027. ~~XXXX~~	~~XXXX~~ People and Culture Advisor	~~XXXX~~ March 2027
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4. Insufficient Strategic Insight into Workforce Retention

Moderate

Finding

The People and Culture Analytics report (Sept 2025) includes a section titled 'Retention' which described a number of metrics relating to tenure such as age and headcount. Overall, it reported that the average age of a Council employee was ~46 years old with an average tenure of ~11 years. As a consequence, average turnover was reported to be 10.6% (17 departures in the period reported (unstated)) which was well below the quoted 2022 Local Govt Skills and Capability Report of 15.6% but higher than the SA Public Service figure which we understand is approximately 8%. A later report (dated December 2025) provided some comparative data which showed a similar result.

WCC did not provide longitudinal data (i.e. preceding 5 years) which means that it is difficult to draw any reliable conclusions from the analytics presented. Additionally, there were no projections provided for the next 3-5 years and, although we acknowledge this is an inexact science, it serves to scope the likely/possible future extent of turnover, which in turn stimulates thinking about ways this may be addressed in the mid-term.

A Culture Survey was conducted in 2025 however it did not ask employees about their level of satisfaction nor did it ask respondents to indicate their future job intentions.

No Retention Strategy and no related policies or plans were presented, however, a draft policy was presented covering Rewards and Recognition. One of the aims of this policy is to acknowledge employees who have made a positive contribution which may assist in retaining skilled individuals.

Implication

Insufficient analysis of retention and turnover trends, documented as part of a Retention Strategy, may limit Council's ability to identify and respond to emerging workforce risks. This may result in avoidable attrition, increased recruitment costs, and reduced workforce stability.

Recommendations

Ref	Recommendations
4.1	WCC to collect and analyse retention data over a longer time scale and extrapolate future workforce and resource trends to inform a develop a 'whole of organisation' retention strategy.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
4.1	~~XXXX~~ WCC to create a strategic workforce retention template, to better understand employee retention trends, workforce risks, culture and pulse surveys, and future staffing needs across the organisation and review;	People and Culture Advisor People and Culture Business Partner	~~XXXX~~ May 2028

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| <ul style="list-style-type: none">1. Why employees leave2. Which areas have higher turnover3. What roles are difficult to retain4. Upcoming retirements or workforce gaps5. Trends in absenteeism, tenure and recruitment6. Future workforce and resourcing pressures | Manager People and CultureXXXX |
|--|--|

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5. Absence of Performance Development Plan Guidance

Moderate

Finding

WCC presented a Professional Development Plan (PDP) Process Review presentation to People Managers (October 2025) and examples of its PDP templates (dated Sept 2025) covering what appears to be a three stage process including: Start-of-cycle Planning (due end November), Mid-cycle Review (due end March) and End-Cycle Review (due mid-August). This documentation did not appear to be accompanied by a 'user guide' for staff or evidence of initial and ongoing training regarding successful PDP completion. We note that a Professional Development Policy and Procedure have recently been drafted in March 2026, but are yet to be finalised and endorsed.

The described PDP process is as follows:

1. A review of the job holders position description (PD), however there is no question or prompt to determine if the PD is an accurate reflection of the current or anticipated future role.
2. Review the 'employees' performance against council's core values
3. Explore general areas of strength and weakness
4. Review the employee's performance against a suite of WHS competencies
5. Review competencies related to the role/position in focus. Both of these sections culminate in the development of an action plan to support the employee's growth and development in each area.
6. Set 3-5 SMART goals for the 'upcoming 12 months that link to the employees position description' although there is no reference to divisional or organisational priorities.
7. Explore of the individual's career plans
8. Self-assessment of the employee's wellbeing.

A footnote on the PDP form asks users to forward a copy of the completed for to the People and Culture(P&C) team. We understand that P&C is collating this data into a PDP Metrics spreadsheet to track PDP completion and key statistics regarding SMART goals, wellbeing, core values and WHS competencies, however, it does not appear that this data has yet been analysed.

Review of PDP completion for the Start-of-cycle and mid-cycle reviews for 2025/26 identified high completion rates (Refer *Good Practice #1*).

Implication

The absence of a finalised Professional Development Policy, Procedure and associated 'user guide' or training to support the PDP process may result in inconsistencies in the completion of PDPs, which may, in turn, create difficulties in identifying and quantifying the current and future skill requirements across several dimensions (i.e. values, WHS and role competencies) at an individual, team and divisional level.

Recommendations

Ref	Recommendations
5.1	WCC to finalise, approve and circulate the Professional Development Policy and Procedure.
5.2	WCC to develop a PDP User Guide and training to convey the importance and value of the process for the individual as well as the organisation as a source to identify skill requirements, noting that PDP goal setting should be expressly linked to divisional and organisational priorities.

5.3	Data and information ~~relating to competencies~~ that is collected via the PDP process to be analysed at a divisional and whole of organisation level to determine skill and knowledge requirements.
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Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
5.1	~~WCC~~ WCC will endeavour to complete this work by June 2026, in alignment to inform and guide the 2026/2027 PDP rollout.	~~WCC~~ People and Culture Advisor	~~WCC~~ July 2026
5.2	~~WCC~~ WCC will endeavour to complete this work in alignment with the 2026/2027 PDP Cycle 1 commencement, due August 2026.	~~WCC~~ People and Culture Business Partner	July 2026 ~~WCC~~
5.3	WCC will commence this work, with focus on ensuring clear data fields in rollout of the 2026/2027 cycle in August, and closure of the 2026/2026 PDP cycle, post June 2027 for review, consolidation and presentation to Executive Leadership Team.	People and Culture Business Partner Manager People and Culture	August 2027

6. Outdated and Incomplete HR Policy Framework

Moderate

Finding

WCC has a number of HR policies and procedures, however, this suite does not include current policies and procedures relevant to HR planning and management. We understand that the HR team undertook an audit of HR policies and procedures in December 2024, documented via the HR Policy and Procedure Audit and Review spreadsheet, and is working through development of documentation.

At the time of our review, we were provided with the following draft HR planning and management-related documents:

- Professional Development Policy and Procedure
- Recruitment and Selection Policy
- Rewards and Recognition Policy and Procedure.

We note that the HR Policy and Procedure Audit and Review spreadsheet notes the following policies are yet to be created:

- Separation Policy and Procedure
- Eligibility for Re-employment Policy and Procedure
- Classification and Reclassification Procedure.

Implication

The absence of current HR planning and management related policies and procedures increases the risk of inadequate and/or inconsistent practices being undertaken across WCC.

Recommendations

Ref	Recommendations
6.1	WCC to prioritise the finalisation, approval and circulation of the following draft policies and procedures: • Professional Development Policy and Procedure • Recruitment and Selection Policy • Rewards and Recognition Policy and Procedure.
6.2	WCC to prioritise the development of the following HR policies and procedures: • Separation Policy and Procedure • Eligibility for Re-employment Policy and Procedure • Classification and Reclassification Procedure.

Commented [EP14]: Action in 5.1 - Due July 2026.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
6.1	WCC recognises the importance of employee recognition in supporting engagement and organisational culture. Any reward and recognition initiatives must be equitable, transparent,	XXXX Manager People and Culture	XXXX March 2027

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	consistently applied and aligned with industrial obligations, governance requirements and appropriate use of public resources. Guidance will be taken from the LGA Employee Recognition Guideline. No/low cost initiatives already undertaken and/or to be further explored: peer recognition values and behaviours recognition service milestones safety recognition XXXX		
6.2	Recruitment and Selection Policy and Procedure is in draft. Any recruitment approval must be signed by the delegate, shortlisted through a peer review process, a panel must be undertaken with signed panel reports, before panel justification is returned for approval of the delegate meeting the key criteria. This work will be delivered by March 2027.XXXX	XXXXManager People and Culture	XXXXOctober 2027

7. Incomplete Work Health and Safety Competencies

Moderate

Finding

WCC has an extensive suite of WH&S policies, procedures and templates which align to the local government wide system provided by the Local Government Association (LGA). As with most councils WCC uses SkyTrust as the key system to manage worker health, safety and return to work. Included in this suite of documentation are the following WHS training guidelines:

- WHS Training and Competency Procedure (August 2025)
- Verification of Competency Guidelines (January 2025).

Together, these documents ensure that new and returning staff understand the WHS policies, procedures and practices of Council and, if required to operate specialist equipment or undertake particular practices, that a Verification of Competency (VOC) process has been undertaken by the employee.

We acknowledge that these documents are comprehensive and contemporary however their focus on WHS at the exclusion of a wider organisational application highlights that they are too narrow and could have benefit beyond worker health and safety.

~~This conclusion is further strengthened in the context of the increased focus on psychosocial hazards² (as required in the *Work Health and Safety Act 2012 (SA)*) and the requirement of all employers to identify, manage and minimize psychological as well as physical harm in the workplace. We note that Council does have Psychosocial Risk Procedure (July 2025) and undertook a Psychosocial Support Program Gap Analysis via the LGA in early 2026.~~

Implication

~~The absence of broader organisational - WHS considerations (in addition to WHS) in the WHS training and competency requirements may lead to certain staff not being sufficiently trained/qualified to undertake~~

Commented [T015]: I have deleted this section as I think it confuses the point we're trying to make.

²Work Health and Safety Act 2012 (SA)

duties, inconsistent safety practices and reduced assurance over risk management, particularly in areas such as psychosocial hazards.

Commented [TO16]: Reworded

Recommendations

Ref	Recommendations
7.1	WCC to extend the current WH&S focus on training and professional development to a whole of organisation review of worker competence. WCC to extend the current WH&S focus on training include broader WH&S areas such as psychosocial hazards.

Commented [TO17]: Finding updated in line with Executive Summary

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
7.1	WCC will review its HR Induction and Training processes for opportunity combine the WH&S or HR process to incorporate a wider organisational tence. XXXX	XXXX WH&S & Risk Advisor People and Culture Advisor	XXXX November 2027

8. Unstructured Employee Health and Wellbeing Framework

Moderate

Finding

WCC's WHS Vision Statement 25 and Beyond paints a 'vision' of creating council workplaces that are safe and in turn contribute to the well-being of employees. Council also has an Employee Assistance Program (EAP) Procedure which presents core components of support and assistance available to employees and elected members, and how to access the services.

Despite this document being contemporary and sound, Council does not have Wellbeing Policy and Procedure, although we were provided with a range of disparate well-being related documentation including:

- Health Monitoring Policy
- Fitness for Work (just adopted by ELT, see minutes)
- CHG Healthy Lifestyles Program
- Ageing and Work Health Program guidelines (from the LGA).

The need for a Wellbeing Policy is particularly important as there is now a legal expectation that all organisations pay greater attention to psychosocial hazards in the workplace due to the *Work Health and Safety (Psychosocial Risks) Amendment Regulations 2023*.

In addition, we noted that the WHS Vision Statement 25 and Beyond lists a number of proposed initiatives, with a broad implementation timeline, under the following three headings:

- Emotional, Mental and Psychosocial Well-being
- Worksite Inspections
- Education and Training.

It is notable that a supporting action plan is not part of this document, detailing how the activities will be completed, by whom or what resources may be required. Having a detailed action plan with allocated resources is more likely to foster genuine commitment to achieve the desired outcomes.

Implication

Without a formal Wellbeing Policy, Procedure and Action Plan, wellbeing initiatives may be implemented inconsistently or lack measurable impact. This may reduce Council's ability to proactively support employee wellbeing and manage psychosocial risk.

Recommendations

Ref	Recommendations
8.1	WCC to prioritise development a Health and Wellbeing Policy and Procedure with links to wellbeing related guidelines.
8.2	WCC to develop a detailed action plan to support the implementation of the WH&S Vision Statement 25.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
8.1	8.1 WCC will review the existing LGRS WHS Framework rollout to explore leverage of existing Policy and Procedure. ~~XXXX~~	Work Health Safety and Risk Advisor ~~XXXX~~	November 2026 ~~XXXX~~
8.2	8.2 The Work Safely Live Fully Vision statement will be reviewed for the 2026/2027 period with a plan attached to be adopted by ELT. ~~XXXX~~	Manager People and Culture ~~XXXX~~	July 2026 ~~XXXX~~

DRAFT

9. Low Completion Rates for Mandatory Training

Moderate

Finding

Completion rates for mandatory competency modules and role-based training requirements across Council were assessed against good business practice. We noted that Council has not formally defined an expected completion percentage for training at a staff, role, or competency level, to trigger follow up or escalation. In the absence of a specified Council target, we adopted a 70% completion threshold, reflecting commonly adopted compliance benchmarks for mandatory training programs, to assess relative performance and risk exposure.

Using this benchmark we identified the following:

- Approximately 40% of competency modules fall below the 70% completion threshold
- Approximately 28% of roles record completion rates below 70%
- A subset of the low-completion competencies are classified as high-risk, including competencies associated with legislated high-risk work, WHS obligations, and safety-critical activities
- Several specialised and senior management roles also recorded completion rates below the 70% benchmark, in some cases driven by modules assigned to positions filled by one individual where non-completion materially affects compliance.

While high-risk competencies demonstrated higher average completion rates than non-high-risk competencies overall, low completion rates for high-risk and legislatively required training indicates gaps in prioritisation and oversight. We are not aware of any process in place to escalate mandatory training non-compliance with management.

Implication

Without clearly defined training completion targets, Council lacks a consistent basis for monitoring compliance, escalating non-completion, and prioritising high-risk and senior-level training, increasing the likelihood of legislative non-compliance, safety incidents, and weakened governance oversight.

Recommendations

Ref	Recommendations
9.1	Formally define and monitor minimum training completion targets for staff, roles, and competencies, with explicit thresholds for high-risk and legislatively mandated training.
9.2	Implement targeted escalation processes for specialised and senior management roles where non-completion presents heightened governance risk.

Management response

Ref	Management Action Plan	Responsible Officer & Position	Delivery Date
9.1	The Training Needs Analysis (TNA) in entirety is deemed mandatory. Options for outsourcing configuration changes to the Skytrust system are currently being investigated (critical and high-risk competency/licence/ticket/training to be categorised). This	Manager People and CultureXXXX	October 2026XXXX

	would enable specific reporting on high-risk items and provide clearer monitoring capabilities. XXXX		
9.2	The Training and Development procedure provides escalation pathways to People Managers, the Work Health Safety Committee, Joint Consultative Committee (where required) and Executive Leadership Team. Review of frequency and thoroughness for improvements to occur in line with 9.1, where training items can more easily identifiable as critical/high risk. XXXX	Work Health Safety and Risk Advisor XXXX	October 2026 XXXX

Improvement Opportunities

Our Internal Audit highlighted an improvement opportunity which is noted below:

Improvement Opportunities	
1. Ambiguity and Inconsistency in the Enterprise Agreement	Council presented its most recent Enterprise Agreement which was developed in 2023 and ratified by Commissioner Rogers in 2024. Overall, the document is considered to be straightforward, clearly written and broadly supports the human resource practices of Council. There is however scope to clarify the following clauses: • Clause 3 (Definitions): ○ Casual is defined as work that is temporary, sporadic or short term, but there was no mention of a casual loading. Clause 19 has further information regarding Casuals, however there is no mention of a casual loading listed. ○ Grace Days (meaning 3 extra days of Annual Leave to be used during the Christmas Closure. There did not seem to be any further explanation of their accrual, use or payment. ○ Overtime Buffer Zone is defined as 1 hour of unpaid overtime worked by a SAMSO Award employee, that can happen up to 4 times per fortnight before overtime becomes payable. The explanation of the buffer zone in clause 12.10 is confusing as it says 4 hours of unpaid overtime per fortnight can be directed (i.e. the person works an 8 hour day instead of a 7 hour day), but clause 12.10.3 indicates that employees should be offered 2 hours of overtime per occasion with 1 hour as "overtime buffer zone" and 1 hour of paid overtime. • Clauses 4-16 are broadly sound however it was noted that Clause 17 made no mention of a higher duties allowance for those who are working in a more senior role. • Clauses 18-21 are sound however clause 22 makes reference to the Pandemic which potentially outdated. • Clauses 23-26 are sound however 24.6.1 indicates that terminated employees are paid their annual leave accruals plus leave loading, except those who have committed serious misconduct. • Clause 25 refers to Personal Leave and its accrual however the period of accrual is not specified. • Clauses 26-37 and 39 are sound however the wording of clauses 38 and 40 may benefit from further clarification. In addition, clause 41 mentions no forced

redundancies but Clause 44 seems to suggest that roles may be lost due to organisation change.

- Clauses 42,43 and 45 include some awkward language but are mostly sound, however, clause 46 seems to suggest that Council will pay for personal development training as well as pay for the employee's salary.
- Clauses 47-50 seem sound apart from a missing word in 47.2 - 'minimising' and some typographical omissions.

Ambiguity and inconsistency within the Enterprise Agreement may lead to misinterpretation and uneven application of conditions. We recommend that consideration be given to improving clarity in the clauses identified above when Council next updates the Enterprise Agreement.

Appendix 1 - Review approach

We adopted the following approach to deliver the HR planning & management internal audit:

Phase 1: Process Discovery

- Obtained and reviewed WCC's HR planning and management documentation, including relevant strategies, plans, policies and procedures, with a focus on leadership and workforce skills requirements, learning and development, attraction/retention strategies, resource allocation, succession planning, performance feedback and workforce management and any other relevant documentation
- Obtained and reviewed HR related data utilised by WCC (e.g. staff numbers, retention rates etc) for the previous 12 months
- Conducted interviews with nominated P&C representatives to gain an understanding of the HR planning and management processes and systems
- Identified the key risk areas within the HR planning and management processes
- Documented WCC's HR planning and management processes, (at a high-level) with a focus on a focus on leadership and workforce skills requirements, learning and development, attraction/retention strategies, resource allocation, succession planning, performance feedback and workforce management highlighting the key controls in place (manual and system based) to address the identified risk areas.

Phase 2: Assessment of Process Adequacy

- Conducted desktop assessment of the HR planning and management documentation, data, processes and systems to assess:
 - ▶ Alignment with WCC's strategic objectives and good business practices
 - ▶ Efficiency and effectiveness of workforce capability and capacity management within WCC
- Conducted a control gap analysis and assessment of the design of the HR planning and management processes, with particular focus on:
 - ▶ Compliance with WCC's current suite of HR planning and management plans, policies and procedures
 - ▶ Compliance with industrial relations requirements, as relevant
 - ▶ The design and effectiveness of controls within the HR planning and management processes, including leadership and workforce skills requirements, learning and development,

attraction/retention strategies, resource allocation, succession planning, performance feedback and workforce management

- Conducted “walkthroughs” and/or “testing” of key HR planning and management controls to assess:
 - ▶ Compliance with relevant HR plans, policies and procedures
 - ▶ Operating effectiveness of HR planning and management processes and controls
- Based on the results of the process adequacy assessment, including “walkthroughs”/“testing”, identified areas requiring improvement from a control and/or process improvement perspective.

Phase 3: Process Improvement

- Held preliminary discussions with WCC representatives to confirm accuracy of audit findings
- Worked with WCC’s representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.

Phase 4: Report Results

- Prepared a summary of findings providing WCC with recommendations for enhancing processes, policies and procedures
- Held closing meetings with WCC representatives regarding audit outcomes
- Prepared draft report and provided to WCC representatives for management comments
- Finalised report.

Appendix 2 - Engagement rating & definitions table

Definitions for the engagement ratings have been summarised in the below table. The purpose of this table is to assist relevant stakeholders and users of this report in understanding the overall rating of the engagement.

Engagement Rating	Definition
Ineffective	Significant weaknesses and control gaps identified with overall system of internal control not operating effectively.
Partially effective	The system of internal control in most instances may be adequately designed, however, due to weaknesses or control gaps identified, the operating effectiveness has been impacted.
Satisfactory	The system of internal control is adequately designed and operating effectively in most instances. Some improvements can support and improve current state of operating effectiveness.
Fully effective with minor improvements	The system of internal control is adequately designed and operating effectively, however some efficiency improvements could be made.
Optimised	The system of internal control is adequately designed and operating effectively at an optimum level.

Appendix 3 - Classification of Internal Audit Findings

The following framework for Internal Audit ratings was developed to prioritise findings according to their relative significance depending on their impact to the process.

Rating	Definition	Examples of business impact	Action required
Extreme	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in brand value and/or market share. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the company. • Serious decline in service/product delivery, value and/or quality recognised by customers. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the Board. • Requires Board's attention. • Requires interim action within 7-10 days, followed by a detailed plan of action to be put in place within 30 days with an expected resolution date and a substantial improvement within 90 days. • Separately reported to Board and executive summary of report.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in brand value and/or market share. • Probable decrease in the public's confidence in the company. • Major decline in service/product delivery, value and/or quality recognised by customers. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires prompt management action. • Requires executive management attention. • Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months. • Reported in executive summary of report.

Rating	Definition	Examples of business impact	Action required
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	- Moderate impact on operations or functions. - Brand value and/or market share will be affected in the short-term. - Possible decrease in the public's confidence in the company. - Moderate decline in service/product delivery, value and/or quality recognised by customers. - Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. - Medical treatment required.	- Requires short-term management action. - Requires general management attention. - Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months. - Reported in executive summary of report.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	- Minor impact on internal business only. - Minor potential impact on brand value and market share. - Should not decrease the public's confidence in the company. - Minimal decline in service/product delivery, value and/or quality recognised by customers. - Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. - First aid treatment.	- Requires management action within a reasonable time period. - Requires process manager attention. - Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months. - Reported in detailed findings in report.

Appendix 4 - Suggested elements of Strategic Workforce Plan

Scope Areas	Potential Elements
Purpose and strategic alignment	• Clear link to the Council Strategic Plan, Community Plan and service delivery priorities • Alignment with Long-Term Financial Plan (LTFP), Asset Management Plans and organisational structure
Local government context and environmental scan	• Local government-specific drivers (legislative obligations, funding constraints, reform agendas) • External factors (regional labour market, demographic change, population growth, competition for skills) • Internal factors (operating model, financial capacity, culture, industrial arrangements)
Current workforce profile	• Workforce size and structure by directorate/function • Demographics (age, tenure, retirement risk, diversity) • Employment types (permanent, contract, casual) and award coverage • Current capability and capacity overview
Future workforce requirements	• Workforce and capability needs to deliver Council priorities and growth forecasts • Impact of new services, infrastructure programs and regulatory change • Time horizon modelling (short, medium and long term)
Critical roles and key person risks	• Identification of hard to fill roles and critical skill sets • Key dependency and succession risks in leadership, technical and operational roles
Workforce supply assessment	• Internal supply capacity (skills, development potential, mobility) • Attraction and retention challenges specific to regional and metropolitan councils
Gap analysis	• Gaps between current workforce capability/capacity and future requirements • Priority risks affecting service continuity and statutory obligations
Workforce strategies and initiatives	• Targeted recruitment and talent attraction strategies • Capability development and training aligned to council priorities

	• Succession planning and leadership development • Workforce flexibility, role redesign and efficiency initiatives
Implementation and governance	• Clear actions, owners, timeframes and resourcing • Integration with corporate planning, budgeting and reporting cycles
Monitoring, reporting and review	• Workforce KPIs and progress reporting to Executive and Council • Regular review to reflect changing community needs, financial capacity and labour market conditions

Appendix 5 - Documents Accessed and Stakeholders Consulted

Documents Accessed

Documents provided by WCC and accessed included:

Identification of skills requirements

- Common Law - Professional Development Plan Review - End-of-Cycle.docx
- Common Law - Professional Development Plan Review - Mid-Cycle.docx
- Common Law - Professional Development Plan Review - Start-of-Cycle.docx
- PDP Review - October 2025.pptx
- People Manager Professional Development Plan Review - End-of-Cycle.docx
- People Manager Professional Development Plan Review - Mid-Cycle.docx
- People Manager Professional Development Plan Review - Start-of-Cycle.docx
- Professional Development Plan Review - End-of-Cycle.docx
- Professional Development Plan Review - Mid-Cycle.docx
- Whyalla City Council Career Pathways Framework 2022 final.pdf

Attraction and retention of staff

- 24-25 Annual Business Plan and Budget.pdf
- 25-26-Annual-Business-Plan-and-Budget.pdf
- 20250522 Whyalla Risk Register V4.0.xlsm
- Long Term Financial Plan 2025-2034.pdf
- Strategic Plan 2025-2024.pdf

Training and professional development

- TD Training Plan - Delivery Plan 2025-26.xlsxLG Safe WHS Training and Competency Procedure
- Template - Current_20250929162449004.pdf
- WCC VOC Guideline V1_20260116110553666.pdf

Resource allocation

- 202601_City Growth Org Chart - with names.docx
- 202601_Corporate Services Org Chart - with names.docx
- 202601_Depot Operations Org Chart - with names.docx
- 202601_Infrastructure Org Chart - with names.docx
- 202601_Office of CEO Org Chat - with names.docx
- 3.3a People and Culture Metrics - Audit Risk Committee Meeting - December 2025.docx
- 3.3a People and Culture Metrics - Audit Risk Committee Meeting - September 2025.pdf

Succession planning

- Talent Management Strategy - July 2025.pptx

Staff culture/wellbeing

- Whyalla City Council Culture Development Plan February 2026 Final.pdf
- Whyalla City Council Values Framework 2026.pdf
- Whyalla City Council Results Summary.pptx
- Gym Membership.pdf
- Gym Offers Table.pdf
- PDP Wellbeing.xlsx
- WHS Committee Terms of Reference-Constitution 2023 Final _Signed_20240216094045723 (1).pdf
- WHS Vision Statement 25 and Beyond.pdf
- Active Ageing Booklet Indoor workers.pdf
- Active Ageing Workplace Charter (signed).pdf
- Active Ageing Your Path to An Informed Future_20250225163612436....pdf
- Aging and Work Health Program Flyer 2022_20220628171313711.pdf
- Nutrition booklet FINAL 2022_20220202094417662.pdf
- Nutrition poster FINAL 2022_20220202094736087.pdf
- Retirement Booklet November 2023_20231127091315413.pdf
- Employee Assistance Program Procedure 2023.pdf

- EAP Details.pdf

Industrial relations requirements

- CoW Enterprise Agreement 23.pdf

HR Policies & Procedures

- ELT Adoption_PC-POL-02 Draft Fair Treatment Policy.pdf
- ELT Adoption_PC-POL-08 Draft Employee Gifts and Benefits.pdf
- ELT Adoption_PC-POL-14 Draft Employee Complaints Policy.pdf
- ELT Adoption_PC-PRO-02 Draft Fair Treatment Procedure.pdf
- ELT Adoption_PC-PRO-08_Employee Gifts and Benefits Procedure.pdf
- ELT Adoption_PC-PRO-14 Draft Employee Complaints Procedure.pdf
- ELT Briefing_Adoption of Policies and Procedures.pdf
- HR Policy and Procedure Audit and Review.xlsx
- PC-POL-04_Children and Vulnerable Persons Policy_Adopted.pdf
- PC-POL-05_Higher Duties Policy_Adopted.pdf
- PC-POL-15_Working from Home Policy_Adopted.pdf
- PC-POL-19_Employee Assistance Program Policy.pdf
- PC-POL-20_Investigations Policy_Adopted.pdf
- PC-PRO-04_Children and Vulnerable Persons Procedure_Adopted.pdf
- PC-PRO-05_Higher Duties Procedure_Adopted.pdf
- PC-PRO-13_Working from Home Procedure_Adopted.pdf
- PC-PRO-20_Investigation Procedure_Adopted.pdf
- Employee Behaviour, Values and Conduct Policy - July 2023 for signature.pdf
- Employee Code of Conduct - gazetted in February 2018.pdf
- values-framework.pdf
- Whyalla City Council Values Framework 2026.pdf
- Draft Recruitment and Selection Policy.docx
- Professional Development Procedure.docx
- DRAFT Professional Development Policy.docx
- _DRAFT_Report_Recognition of Prior Service.docx
- Draft Recognition of Prior Service.docx
- Join a focus group about employee reward and recognition.msg
- Recognition of Prior Service Procedure.docx

Training & Competency Data

- 250820 - CURRENT - 2025-2026 TNA.xlsx
- TrainingSearch (12).xlsx
- TrainingSearch (10) - Employee COC and Values.xlsx
- 2025-2026_Metrics PDPs.xlsx

WH&S and Wellbeing Policies

- 2026_02_LGAWCS_Psychosocial Support Program - Gap Analysis - Whyalla.pdf
- 2026_LGAWCS_HLP Program overview.pdf
- Consultation_Fitness for Work Procedure.docx
- elt minutes - 24 march 2026.pdf
- LG SAFE POLPRO Transition.png
- LGA Peak WHS & RTW Policy_202502271605668.pdf
- WCC LG Safe WHS Psychosocial Risks Procedure_V1_2025072216149486.pdf
- WHS Employee Health Monitoring Procedure Version 5_20221206172850628 (1).pdf
- WHS policy.jpg
- WHS Procedures.jpg
- WHS templates.jpg

Key Stakeholders Consulted

BDO completed this Internal Audit project through discussions held with the following WCC representatives:

Name	Position
Ellisha Papoulis	Manager People and Culture
Lauren Green	People and Culture Business Partner
Louise Fiedler	People and Culture Advisor

1300 138 991

www.bdo.com.au

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BDO

3. ITEMS FOR NOTING

3.6 Internal Audit Project Brief – External Stakeholder Relationship Management

Audit and Risk Committee: 19 June 2026

Author's Title: Grant Jennings

File No.: 0-159

Manager Finance and Knowledge Management

Directorate: Corporate

Annexures:

A Project Brief - External Stakeholder Relationship Management Review

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – Not applicable.

DISCUSSION

As Council's Internal Auditor, BDO developed an internal audit program in February 2024, which was accepted by the Audit and Risk Committee and Council.

The program consists of the following seven projects:

- Budget Establishment, Monitoring and Management
- Strategic and Business Planning Process
- Asset Management Review
- Human Resource Planning and Management
- External Stakeholder Relationship Management
- Governance and Compliance
- ICT Infrastructure

The first four of these projects have been completed, with reports provided to the Audit and Risk Committee in July 2024, May 2025, February 2026 and at this meeting. The program is behind the original schedule, due to staff changes and competing priorities, however it is now time to kick off the External Stakeholder Relationship Management project.

The objective of this project is to assess the effectiveness of external stakeholder relationship management and engagement effectiveness (primarily community), across all key operational areas.

BDO have provided a scope and budget, which is included as **Annexure A**. The final report is scheduled to come back to the Audit and Risk Committee at their meeting in October 2026. This is classified as an Assurance Audit.

Financial Implications

BDO have quoted a price of \$19,750, plus a 2.5% administration fee for professional services, plus outgoings which are billed at cost and kept to a minimum as agreed prior to being incurred. These costs are incorporated in the current budget for internal audit services. The original estimate for this project was set at a range of \$16,000 to \$20,000 in February 2024.

RECOMMENDATION

The Audit and Risk Committee note the internal audit scope for the External Stakeholder Relationship Management Review.

PROJECT BRIEF

Project Title:	External Stakeholder Relationship Management Review
Project Contact:	Grant Jennings - Manager Finance and Knowledge Management
Project Objective:	The objective of this project is to assess the effectiveness of external stakeholder relationship management and engagement effectiveness (primarily community), across all key operational areas.
Scope & Approach:	The scope of the External Stakeholder Relationship Management Review will consider processes/internal controls relevant to: ▶ Type and frequency of stakeholder communications ▶ Community engagement and consultation ▶ Stakeholder requests ▶ Stakeholder engagement monitoring ▶ Stakeholder management-related training ▶ Establishment/ monitoring of performance measures. This project will be undertaken in consultation with personnel at WCC. Our approach includes the following phases: Phase 0: Project Kick Off and Planning Project Kick Off and Planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of any issues and scope exclusions, outlining our information requests and commencing access to relevant documentation. An initial kick off meeting will confirm roles and responsibilities, introduce WCC representatives and the BDO team and confirm contact details of nominated engagement personnel. Phase 1: Process Discovery The Process Discovery phase included the following two (2) stages: 1a - Document Collation and Process Interviews ▶ Meet with relevant WCC representatives to: ▶ Obtain and review WCC's documentation supporting external stakeholder relationship management including: stakeholder/community engagement policies, procedures and plans, register of stakeholder requests, stakeholder engagement monitoring/reporting , stakeholder management-related training, performance measures, and any other relevant documentation ▶ Conduct interviews with nominated WCC representatives to: - o Agree on who are the key stakeholders - o Gain an understanding of the key stakeholder requirements - o Understand related policies and procedures - o Gain an understanding of the related key stakeholder relationship management processes - o Identify key risks and areas of concern

PROJECT BRIEF

- ▶ Identify the key risk areas within external stakeholder relationship management processes

1b - Process and Documentation Review

- ▶ Gain an understanding of WCC's suite of governance documentation supporting external stakeholder relationship management obtained in Phase 1a.
- ▶ Document WCC's external stakeholder relationship management processes (at a high-level), highlighting key controls in place (manual and system based) to address the identified risk areas with a focus on:
 - o Stakeholder communications
 - o Community engagement
 - o Stakeholder requests
 - o Stakeholder engagement monitoring
 - o Stakeholder management-related training
 - o Performance measures.

Phase 2: Assessment of Process Adequacy

The Process Adequacy phase includes the following two (2) stages:

2a - Adequacy Assessment and Risk/Control Gap Analysis

- ▶ Consider the alignment of WCC's governance documentation supporting the external stakeholder relationship management framework and processes against *Local Government Act* (LGA) and good business practice
- ▶ Through use of a Risk and Control Matrix, map current controls and processes to key external stakeholder risk areas to identify potential control gaps
- ▶ Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective.
- ▶ Agree areas that require specific 'walkthroughs' and/or 'testing'.

2b - Walkthroughs and Testing

- ▶ Through consultation with WCC representatives, select a representative sample of stakeholder relationship management activities across key operational areas
- ▶ Conduct 'walkthroughs' and/or 'testing' of the selected sample of the stakeholder relationship management activities to assess:
 - o Compliance with WCC's governance documentation supporting the external stakeholder relationship management and the LGA
 - o Operating effectiveness of internal controls within the external stakeholder relationship management processes
 - o Alignment with good practice.
- ▶ Based on the results of interviews and walkthroughs/testing, identify areas requiring improvement from a control and/or process improvement perspective.

PROJECT BRIEF

	Phase 3: Process Improvement ▶ Hold preliminary discussions with WCC representatives to confirm accuracy of audit findings ▶ Work with WCC's representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities. Phase 4: Report Results ▶ Prepare a summary of findings providing WCC with recommendations for enhancing processes, policies and procedures ▶ Hold closing meetings with WCC representatives regarding audit outcomes ▶ Prepare draft report and provide to WCC representatives for management comments ▶ Finalise report.
Timeframe:	Project delivery by mid-September 2026
Project Resources:	The project will be resourced as follows: ▶ Peter Horsman (Engagement Partner) ▶ Tania Occhiuto (Engagement Manager) ▶ Henry Jones / Charlie Kirchner (Senior Consultant) The estimated total cost to complete this project is \$19,750 (GST exclusive). Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.
Prepared by:	BDO
Agreed by:	Peter Horsman - Partner BDO XX / XX /2026 Grant Jennings - Manager Finance and Knowledge Management / /

3. Items for Noting

3.7 Update on Risk Management Policy and Framework

Audit and Risk 19 June 2026

Committee:

Author's Title: Elisha Papoulis, Manager People and Culture

File No.: 0-159

Directorate: Corporate

Annexures:

Annexure A – Risk Management Policy

Annexure B – Risk Management Procedure

Annexure C – Risk Maturity Roadmap

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

☐

Yes

☒

No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☐

Yes

☒

No

Reason – Not applicable.

PURPOSE

To provide the Audit and Risk Committee (**A&RC**) with an update on the status of Whyalla City Council's Risk Management Framework and related risk management activities.

SUMMARY

Council's Risk Management Policy and Procedure (**the Framework**) is current, having been endorsed by Elected Members at the Ordinary Council Meeting (**OCM**) on 27 January 2026. Prior to endorsement, the Framework underwent organisational consultation in September 2025 and was reviewed by the A&RC in October 2025, where minor amendments were recommended.

As part of Council's broader risk management improvement program, Council participated in a Risk Maturity Survey and Risk Profiling exercise facilitated by Local Government Risk Services (**LGRS**) in August and September 2024. The outcomes informed the development of a three-year Risk Maturity Roadmap (Annexure C), which provides a structured approach to strengthening Council's risk maturity, with reassessment scheduled for February 2027.

While progress on Strategic Risk Profiling has taken longer than anticipated, important foundational work has been completed. Strategic Risk Profiling commenced in May 2025 and was revisited for finalisation on 30 April 2026 with the Executive Leadership Team, Work Health Safety and Risk Advisor, and LGRS representative Jo Callis. Council is currently awaiting the final Strategic Risk outputs from LGRS to progress the next phase of work, including development of a Risk Appetite Statement and associated Elected Member engagement activities.

The delay in progressing the Strategic Risk Profile has occurred during a period of personnel change within LGRS, including the departure of the advisor previously supporting Council. Despite this, Council has continued to progress key risk management initiatives and maintain momentum in other areas of the Risk Maturity Roadmap.

Other additional risk management items:

- Delivery of organisation-wide Risk Management Training in February 2025.
- Delivery of Operational Risk Awareness and Risk Register Training workshops across Whyalla in November 2025.
- Review, consultation and endorsement of Council's Hazard Register by both the Work Health Safety Committee and Executive Leadership Team in March 2026.
- Continued collaboration with LGRS on the development of a contemporary Operational Risk Register to strengthen risk identification, assessment and management practices.
- Building of relationships and seeking of support from our LGA partners, including risk and liability representatives.
- Emergency Management Policy updated and adopted by Council at the February 2026 OCM.
- Consistency of Project Control Group Meetings (PCG), providing a governance structure around Council managed projects.
- Winner of the Risk Incentive Category Award at the recent Local Government Awards for the Whyalla Airport project submission.
- Project Risk awareness workshop date being investigated with Local Government Risk Services [Originally due March 2026, postponed due to LGRS staffing]

Overall, while the Strategic Risk Profiling component remains in progress, Council has achieved several significant milestones in a current and accessible risk management framework, with continued steps against the risk maturity roadmap designed to support organisational capability.

RECOMMENDATION

The Audit and Risk Committee note the status of the Risk Management Framework and acknowledges the supporting work occurring to progress Council's overall risk maturity.

Strategic Plan – Not applicable

Legislation – Not applicable

Officer Direct or Indirect Interest – Not applicable

Risk Assessment – Not applicable

Social Considerations – Not applicable

Community Engagement – Not applicable

Environmental Implications – Not applicable

Communication – Not applicable

Risk Management Framework Procedure

First Issued/ Approved	31/10/2025
Classification	Risk Management
Framework Owner	People and Culture – Risk
Last Reviewed	22/10/2025
Review Period	2 Years
Next Review	31/10/2027
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Relevant Legislation	Local Government Act 1999 Local Government (Financial Management Regulations) 2011 Work Health and Safety Act 2012 Work Health and Safety Regulations 2011 Civil Liabilities Act 1936 State Records Act 1997 Commonwealth Privacy Act 1988 Freedom of Information Act 1991
Related Documents	AS ISO 31000:2018 - Risk Management Guidelines SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives Whyalla City Council Risk Management Policy Return to Work SA Code of Conduct for Self-Insured Employers Work Health Safety and Return to Work Policy Risk Appetite Statements LGAMLS & LGAWCS Scheme Rules (gazetted July 2020)
Authorised	Signed:  Justin Commons Chief Executive Officer Dated: 31 October 2025



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1 Introduction

Whyalla City Council is committed to an integrated approach to risk management to assist in setting appropriate strategies, achieving objectives and making informed decisions, in the best interests of our community.

Whyalla City Council recognises that managing risk is part of governance and leadership, is fundamental to how the organisation is managed at all levels and will contribute to continuous improvement of its management systems.

Whyalla City Council's Vision states:

"Whyalla will be a vibrant, attractive city offering the community a diverse range of sustainable economic, social, environmental and cultural opportunities."

The risk management process is not an isolated function and should be applied to all activities, including decision making, at all levels. Effective identification, analysis, evaluation and treatment of risks is critical Whyalla City Council achieving its objectives and meeting stakeholder expectations.

2 Purpose

This Framework outlines the requirements and processes supporting Whyalla City Council's Risk Management Policy to create and protect value by improving performance, encouraging innovation and supporting the achievement of strategic objectives.

This Framework:

- a) Aligns with the objectives of the Risk Management Policy;
- b) Establishes roles and responsibilities for managing risk;
- c) Documents the systems and processes for identification, assessment, evaluation, monitoring and management of identified risks;
- d) Encourages innovation by integrating risk management into the strategic and operational processes throughout the organisation;
- e) Will assist Whyalla City Council in maximising its opportunities, whilst minimising negative impacts identified during the risk management process;
- f) Establishes the process for all risks outside the defined risk appetite to be escalated to the appropriate level and for additional treatment options to be implemented;
- g) Sets out reporting protocols for relevant risk information to be provided to Council, Audit and Risk Committee, Executive Leadership Team and throughout the organisation; and
- h) Will support the development of a continuous improvement culture by integrating risk management processes throughout the organisation.

3 Local Government Risk Services (LGRS)

From the perspective of the Local Government sector in South Australia, certain insurable risks have been transferred to a number of self-managed Schemes managed by Local Government Risk Services (LGRS), via payment of an annual contribution. The Schemes are:

- a) Local Government Association Mutual Liability Scheme (LGAMLS) for the purposes of civil liability coverage & claims management;

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- b) Local Government Association Workers Compensation Scheme (LGAWCS) for the purposes of workers compensation coverage & claims management; and
- c) Local Government Association Asset Mutual Fund (LGAAMF) for the purposes of asset and fleet coverage and claims management.

As a Member of the above Schemes, Whyalla City Council is obliged to put adequate risk management and prevention strategies in place, in accordance with the Scheme Rules.

LGRS provides a range of fully funded and subsidised programs and support services to assist in managing risk across the organisation.

4 Risk Management Principles

The Australian standard for Risk Management Guidelines (AS ISO 31000:2018) describes risk as:

“...the effect of uncertainty (either positive, negative or both) on objectives...”

The goal is not to eliminate all risks, but rather to manage risks involved in delivering Whyalla City Council's functions and services and to create and protect value for stakeholders and community.

AS ISO 31000:2018 is based on the following eight principles, which underpin this Framework and guide how risk is managed across the organisation:

Integrated	An integral part of all organisational activities
Structured and comprehensive	Contributes to consistent and comparable results
Best available information	Based on historical and current information, as well as on future expectations, taking into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders
Customised	Customised and proportionate to Whyalla City Council's internal and external context related to its objectives
Human and cultural factors	Recognises that the behaviour and culture can significantly influence all aspects of risk management at each level and stage
Inclusive	Requires appropriate and timely involvement of stakeholders to enable their knowledge, views and perceptions to be considered
Dynamic	Anticipates, detects, acknowledges and responds to changes and events in an appropriate and timely manner as internal and external contexts change and new risks emerge while others change or disappear
Continual improvement	Learning and experience drives continuous improvement

5 Risk Management Framework



5.1 Leadership and commitment

Whyalla City Council and its Executive Leadership Team will demonstrate a clear commitment to managing risks throughout the organisation by:

- Developing and implementing a risk management policy, systems and processes for the identification, assessment, monitoring, management and review of strategic, financial, operational and project risks;
- Allocating appropriate resources to implement, monitor and improve the effectiveness of risk management systems and processes;
- Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills and knowledge to deal with risk;
- Allocating and upholding accountability with respect to risk management and ensuring it is understood; and
- Ensuring compliance with legislative and contractual obligations and policy requirements.

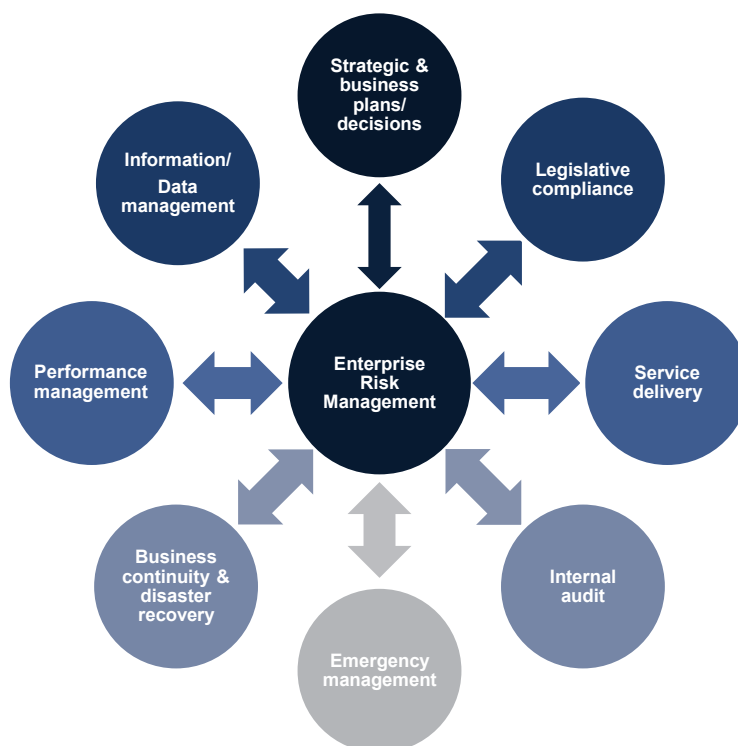
5.2 Integration

This Framework provides the methods and processes Whyalla City Council uses to manage both positive and negative risks throughout the organisation.

Governance guides the direction of the organisation and provides the rules, processes and practices necessary to achieve objectives. Management structures that define risk management accountability and oversight roles across the organisation are critical to achieving sustainable performance and long-term viability.

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Risk Management is not just about the risk assessment process nor is it a stand-alone discipline. In order to maximise benefits and opportunities, it requires integration throughout the organisation, as follows:



5.2.1 Enterprise Risk Management

Enterprise risk management encompasses strategic, operational and project risk management. (Financial risks may be strategic, operational or project-based and are generally captured within the internal controls framework.)

Strategic risks are identified by reference to both the external environment and strategic objectives. Strategic risks are monitored by the Executive Leadership Team, Audit and Risk Committee and Council, with all risk assessments captured in the relevant Risk Registers and recorded within the relevant record management system.

Operational Risks arise from day-to-day functions and operations to deliver core services. Operational risks are monitored by the Executive Leadership Team.

Project Risks are the uncertain events or conditions that have potential to impact either positively or negatively on project objectives. Project risks are monitored by the project manager and reported to the Executive Leadership Team and the Council (where the project is of strategic significance.)

The Hazard Profile/Risk Register is a culmination of all active activities undertaken by the organisation to assist in understanding and identifying the risk profile of day-to-day activities.

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5.2.2 Strategic planning and decision making

Strategic and business planning, (which includes long-term financial planning and annual budgeting,) must adequately consider the risks inherent in setting and pursuing objectives and the effectiveness of systems that are in place to manage and communicate those risks.

Risk management is integrated into governance structures, including decision making, which is supported by incorporating risk analysis into Council and committee reports, where there is a potential impact on the achievement of strategic objectives or on the wider community.

5.2.3 Legislative compliance

The Local Government Act (SA) 1999 applies to the functions of Councils and Prescribed Bodies in South Australia, however, due to the diversity of functions provided, a range of other Acts, Regulations and Codes of Practice and Standards also apply.

Whyalla City Council has implemented a Work Health and Safety (WHS) management system to manage hazards and risks to workers and members of the public, in accordance with the WHS Act (SA) 2012 and Return to Work SA's Performance Standards for Self Insurers.

5.2.4 Service delivery

Risk exposures vary according to the functions, facilities and services provided and these will inevitably change over time. Whyalla City Council's planning processes address both the risks associated with provision of functions, facilities and services, (such as capacity and resources,) and risks arising from their delivery (such as public safety and community reaction).

5.2.5 Internal audit

Internal audit is an independent, objective assurance activity designed to add value and improve the organisation's operations. It provides a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The process of internal audit may result in the identification of new risks or more effective treatments for existing risks.

It is the role of the Audit and Risk Committee to provide oversight of planning and scoping of the internal audit plan and to review and comment on reports provided within the Audit and Risk Committee setting, at least on a quarterly basis.

In addition to its own internal audit program, Whyalla City Council engages an independent auditor to undertake an audit of internal controls as required by Section 125 of the Local Government Act (SA) 1999 and Part 6, Regulation 19 of the Local Government (Financial Management Regulations) 2011

5.2.6 Emergency Management

Whyalla City Council plans for, and undertakes, prevention, preparedness, response and recovery activities to support its community in the event of emergencies and natural disasters. This process includes alignment and co-operation with lead agencies and other Councils in the state as well as providing information and training for workers to protect them from harm whilst responding to emergencies and natural disasters.

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5.2.7 Business Continuity Plan & Information Technology Disaster Recovery Plan

Whyalla City Council is committed to ensuring that critical business functions continue after a business interruption and has developed the following plans, taking into consideration reasonably foreseeable risks and their potential impact on achievement of objectives:

- a) The Business Continuity Plan (BCP), which is designed to manage risk by limiting or reducing the impact of a disruption, (such as severe weather event or loss of key personnel), and enable the resumption of critical business functions/services following a disruption; and
- b) The Information Technology Disaster Recovery Plan (DRP), which is intended to protect and recover information technology infrastructure and data in the case of a disruptive event, (such as cyberattack or damage to/loss of infrastructure,) by defining actions to be taken before, during and after an event.

5.2.8 Performance Management

Both risk management and performance management start with the establishment and communication of corporate goals and objectives and development of strategies which are then cascaded throughout the organisation. Appropriate measures and reporting structures will be put in place to monitor the effectiveness of risk management processes, (at an individual and organisational level), which will in turn assist in identifying gaps and emerging risks.

The performance of Whyalla City Council's risk management program will be measured through the following performance indicators:

Measure	Target to 2027
Year on year reduction in strategic risks rated "extreme" and "high"	5-10% reduction
Number of Elected Members and employees trained in risk management, (as a percentage of total)	50-65%
Tangible improvement in risk maturity modelling	From risk maturity level 1.5 to 2
Percentage achievement of risk profiling action plan actions	60-75% achievement

5.2.9 Information/Data Management

Not only is it critical to the achievement of objectives that data and corporate knowledge is retained, there are regulatory requirements to do so, (e.g. compliance with the State Records Act 1997, Commonwealth Privacy Act 1988 and Freedom of Information Act 1991.)

Whyalla City Council's records may be vulnerable to cyberattack, malicious intent or unauthorised release, should appropriate risk mitigation strategies not be in place.

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5.3 Design

5.3.1 Understanding the organisation and its context

Establishing the context requires those involved in risk management and decision making processes to understand factors internal and external to the organisation that may influence Whyalla city Council's ability to achieve its objectives.

Risk management culture, organisational structure, strategy and objectives are examples of factors that define internal context.

The external environment may include a range of factors such including (but not limited to):

- a) increased legislative and compliance requirements;
- b) reduced funding from State Government;
- c) community expectations; and
- d) social, cultural, political, technological, economic, natural and built environment.

5.3.2 Roles and responsibilities

The following roles and responsibilities ensure a transparent approach to managing risk within Whyalla City Council:

Roles	Responsibilities
Council	- Set the organisation's risk appetite and policy for managing risk; - Give adequate consideration to risks when setting objectives and making decisions; - Foster a culture that is consistent with the organisation's appetite for risk; - Ensure the organisation has the structures and processes in place to support decision making and management of risk; - Set an appropriate governance structure for risk and risk management including Audit and Risk Committee and delegations; - Require the CEO to demonstrate that the framework for managing risk is effective and appropriate; - Require the CEO to provide information to allow the Council to understand the risks that may have material impacts on achievement of the organisation's objectives; and - Consider recommendations from the Audit and Risk Committee relating to strategic, financial and any other risk which fall to its purvey.
Audit and Risk Committee	- Review and recommend endorsing the criteria contained within the Risk Management Framework; - Monitor Whyalla City Council's responsiveness to recommendations for improvement based on previous audits



Roles	Responsibilities
	and risk assessments, including those raised through any audits; • Provide oversight of the planning and scoping of the audit work plan and review audit reports on at least a quarterly basis; • Review the annual reports from CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures; • Review and evaluate 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 • Monitor strategic risks on an annual basis.
Chief Executive Officer (CEO)	• Promote a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk; • Review and endorsement of the Risk Management Framework; • Ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks and provide a report to the Audit and Risk Committee on a regular basis; • Ensure Executive Leadership Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities; • Regularly review strategic, financial, operational and hazard profile risks maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls; • Ensure compliance with legislative and contractual obligations and policy requirements; • Provide reliable information about risks, controls and their effectiveness to Council • Report annually to the Audit and Risk Committee on the internal audit processes; and • Escalate all strategic risks that exceed the organisation's risk appetite to the Audit and Risk Committee or Council as required.



Roles	Responsibilities
Executive Leadership Team	• Commitment to, and promotion of, the risk management policy and framework; • Monitor the organisation's overall risk profile and mitigation strategies; • Ensure that risk management is embedded into all functions and activities, including decision making; • Ensure that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments); • Incorporate risk treatments into business unit planning; • Ensure that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk; • Provide incentives and performance management arrangements that support the desired approach to managing risk; • Promote a proactive risk culture in accordance with business management initiatives; • Collectively review strategic risks and consider emerging risks, prior to Audit and Risk Committee meetings; and • Ensure compliance with legislative and contractual obligations and policy requirements.
Work Health Safety and Risk Business Partner	• Provide guidance and assistance to Executive Leadership Team and workers in relation to the application of this framework; • Ensure relevant risk information is recorded in the Risk Register(s) and reported and escalated to the Executive Leadership Team or cascaded to staff, as relevant • Maintain the Risk Management Policy and Framework to ensure its currency and relevance; and • Maintain the Risk Register and reporting timeframes as required.
Employees, Volunteers & Contractors (Workers)	• Understand the risk management processes that apply to their area of work; and • Identify, evaluate, report and manage, or escalate, risks relating to daily activities and projects.

5.3.3 Implementation

This risk management framework will be supported by an implementation plan that includes timeframes and resource requirements and processes for engagement with, and provision of information to, relevant stakeholders.

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5.4 Evaluation

Whyalla City Council will undertake periodic reviews of the risk management policies, systems and procedures to evaluate their effectiveness and determine whether they remain suitable in supporting the achievement of strategic and operational objectives and provide a report to the Audit and Risk Committee on a regular basis.

5.5 Improvement

To maintain and improve the value of risk management to the organisation, Whyalla City Council will monitor and adapt this risk management framework, with a view to continually improve the suitability, adequacy and effectiveness of its risk management process.

6 Risk Management Process

Having good risk management practices in place provides Whyalla City Council with assurance that measures are in place to maximise the benefits and minimise the negative effect of uncertainties in pursuit of its strategic objectives. Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The risk management process is an integral part of management and decision-making and will be integrated into the organisation's structure, operations and processes.

The dynamic and variable nature of human behaviour and culture should be considered throughout the risk management process.

Although the risk management process is often presented as sequential, in practice it is iterative as illustrated in the AS ISO 31000:2018 Risk management – guidelines:

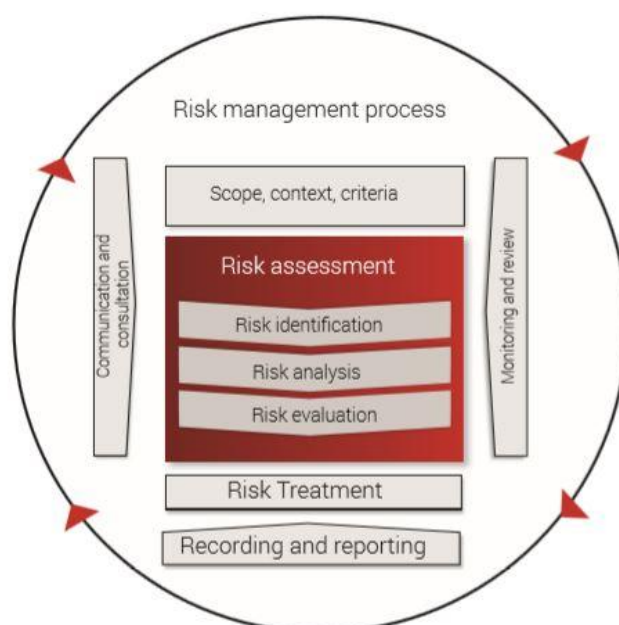


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6.1 Communication and Consultation

Establishing a communication and consultation plan with internal and external stakeholders is critical to the success of the risk management process. Effective communication and consultation throughout the process is essential to ensure that those responsible for implementing risk management, and those with a vested interest, understand the basis on which risk management decisions are made and why particular actions are required.

Whyalla City Council will engage with stakeholders throughout the risk management process to:

- a) Correctly identify risks and understand context;
- b) Gain a better understanding of the views and interests of stakeholders and how their expectations may be managed;
- c) Capitalise on the diversity of knowledge, opinions and experience to enhance identification and management of risks and opportunities; and
- d) Build a sense of inclusiveness and ownership amongst stakeholders.

6.1. Scope, context and criteria

6.1.1 Defining the scope

Because the risk management process is applied at different levels throughout the organisation, it is important to define the scope and it's alignment with the organisation's objectives. This should include consideration of:

- a) Goals and objectives of risk management activities;
- b) Proposed outcomes and timing;
- c) Responsibilities and accountabilities for the risk management process;
- d) Risk management methodologies;
- e) Processes, activities and projects and how they may interact with other processes, activities and projects;
- f) How effectiveness and/or value will be measured and monitored; and
- g) Availability of resources to manage risk.

6.1.2 Defining the context

Defining the context is important because

- a) Risk management takes place in the context of achieving objectives and undertaking activities; and
- b) Organisational factors can be a source of risk.

The context should reflect the specific environment of the activity to which the risk management process is to be applied, and consider the factors outlined in 5.3.1.

6.1.3 Defining risk criteria

Risk criteria are used to evaluate the significance of risk and are reflective of Whyalla City Council's values, objectives and resources and the views of its stakeholders. Agreed risk

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criteria have been established through consultation with Executive Leadership Team, CEO, the Audit and Risk Committee and Council.

It should be noted that, whilst risk criteria are documented in this framework and its appendices, they are dynamic and should be reviewed and amended to reflect the organisation's attitude to risk and risk appetite, as necessary.

6.2 Risk Assessment

6.2.1 Risk Identification

The aim of risk identification is to develop an inclusive list of reasonably foreseeable events that may occur that - if they do - are likely to have an impact on achievement of objectives.

Whyalla City Council identifies, assesses and treats risk in the following three risk types:

Strategic	Risks associated with high-level strategic objectives that are articulated in Strategic, Annual Business and Asset Management Plans. Strategic risks may affect the achievement of Member's corporate objectives. They are key issues for the Council and Executive Leadership Team and impact the whole organisation rather than a department/business unit. These risks can originate from within the organisation or externally. In other words, they may prevent the organisation from achieving its strategic objectives.
Operational	Risks associated with departmental business unit functions and daily operations to deliver core services. Often the risks relate to cost overruns, supply chain/logistic issues, employee issues, fraud, WHS, non-compliance to policies and procedures.
Project	Risks associated with Project Management that will affect milestones or outcomes connected to delivering a specific project.

Risk identification naturally flows on from the context discussion and is a process of formally documenting the effects of uncertainty on objectives. An effective approach is to engage as many stakeholders as possible in a structured identification process.

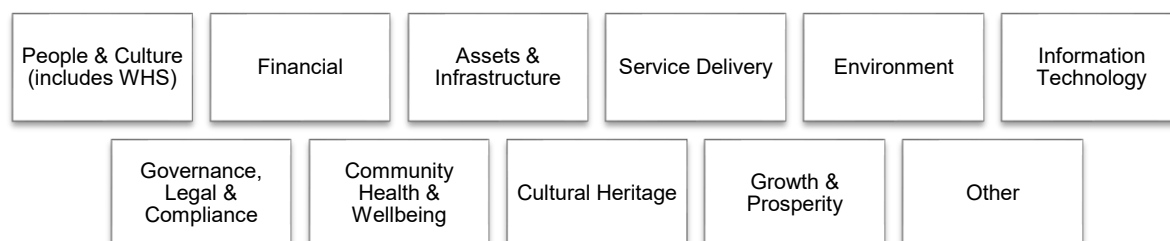
The Executive Leadership Team will undertake a regular review of current and emerging strategic risks, considering political, economic, social, technological, legal & environmental factors.

The aim is to generate a list of risks based on those impacts or events. During the identification process, there are a number of questions that need to be asked to capture the information required:

- What might happen/ what could go wrong?
- What is the cause?
- How does this affect the objective?

After a risk is identified, it may be categorised and captured in the Risk Register in accordance with the following categories:

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The process of risk identification must be comprehensive as risks not identified are by nature excluded from further analysis. Care must be taken to identify and define risks, rather than causes or consequences.

Capturing an additional level of detail with regards to risk areas assists in reporting and analysing trends. An example of this can be found in **Appendix E**.

6.2.2 Risk Analysis

Risk analysis involves developing an understanding of a risk. It provides an input to risk evaluation and to decisions on whether risks need to be treated, and the most appropriate risk treatment strategies and methods. The tables included in the appendices are Whyalla City Council's tools for expressing the consequence, likelihood and level of risk.

6.2.2.1 Risk ratings

A "risk rating" can be determined by combining the estimates of effect (consequence rating) and cause (likelihood rating). The risks are to be assessed against all consequence categories; and the highest consequence rating will be used. The following risk ratings are used:

- Inherent risk rating, being the level of risk at time of risk assessment with no controls;
- Residual risk rating, being the level of risk once further and additional controls are added to reduce the consequence and/or likelihood, (i.e. the forecast level of risk remaining after risk treatment).

6.2.2.2 Risk appetite

The Council Members, with support from the Executive Leadership Team, are responsible for defining Whyalla City Council's risk appetite, taking into consideration the nature and extent of the risks the organisation is willing to take in order to achieve its strategic objectives.

In arriving at its risk appetite, Council Members will give consideration to:

- The degree to which decision makers are permitted to expose Whyalla City Council to the consequences of an event or situation;
- Aggregated and interlinked risks to determine whether the cumulative level of risk is acceptable or not;
- Allowing for flexibility to adapt, given changing environment and circumstances to be built in; and
- Whether decisions are made with full consideration of potential risk and reward.



Whyalla City Council's risk appetite will be included in regular monitoring and review of strategic risks and will be updated in line with its risk management policy, framework and supporting documentation.

6.2.2.3 Risk tolerance

Not all risk types for Whyalla City Council are the same in terms of their acceptability. Once a risk appetite has been set, it is useful to define tolerance levels for each category. Risk tolerance can be described as the boundaries of risk taking outside of which the organisation is not willing accept to achieve its objectives. While risk appetite is usually expressed in qualitative terms, tolerance is expressed quantitatively, (i.e. a variance).

If the assessed risk level is outside of the risk appetite but within the tolerable level for that category of risk then treatment will be required. If it is equal to, or below, the tolerable level for that category of risk then the risk may be accepted, (provided the controls are implemented).

6.2.3 Risk Evaluation

Risk Evaluation is the process used to assist in making decisions, based on the outcomes of risk analysis, about which risks need treatment and the priority for implementation of controls. Decisions should take account of the wider context of the risk and include consideration of the risks borne by other parties. There are also circumstances whereby, despite the risk level, risks cannot be prevented or reduced and the focus will instead be on recovery and resilience.

When a risk has been identified or reassessed, the following table provides guidance on the action to be taken for each risk rating level:

Risk level	Managing risk – priority rating
Extreme	Add risk to Risk Register Escalate risk issue immediately to CEO CEO to: • Refer risk to risk owner • Identify and develop treatment strategies for immediate action • Monitor and review actions/strategies • Provide direction and information to relevant stakeholders • Inform the next meeting of the Council or Audit and Risk Committee of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) • Consider cessation/suspension of the activity giving rise to the risk until such time as CEO/Management Team authorises its continuation and/or whilst other risk treatment strategies are being developed/implemented For WHS related risks, the following applies: • Operation of item or activity shall not be allowed to continue until the risk level has been reduced • Will commonly be an unacceptable level of risk • May include both short and long term control measures
High	Add risk to Risk Register Escalate risk issue to member of Executive Leadership Team

Risk level	Managing risk – priority rating
	Member of Executive Leadership Team to: • Refer to relevant risk owner • Identify and develop treatment strategies with appropriate timeframes • Monitor and review actions/strategies to manage risk to an acceptable level • Provide direction and information to relevant stakeholders • Inform the next meeting of the Audit and Risk Committee (as relevant) of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) For WHS related risks, the following applies: • Reduce the risk rating so far as is reasonably practicable • Should only be an acceptable level of risk for 'Major' or 'Significant' consequences
Moderate	Add risk to Risk Register Escalate risk to Business Unit Manager Business Unit Manager to coordinate with relevant work group to: • Identify and develop treatment strategies with appropriate timeframes • Monitor and review actions/strategies to manage risk to an acceptable level For WHS related risks, the following applies: • Reduce the risk rating so far as is reasonably practicable. • May be an acceptable level of risk
Low	Add to Risk Register Undertake localised risk management & actions (if required) Review within the department parameters and routine procedures For WHS related risks, the following applies: • Reduce the risk rating so far as is reasonably practicable. • Commonly is an acceptable level of risk

6.3 Risk Treatment

Risk treatment can be conducted using a variety of methods. When looking at negative risks, treatments are aimed at reducing or removing the potential for consequences occurring. However when looking at positive risks, (opportunities) treatments look at ensuring that consequences are realised.

Risk treatment involves selecting one or more options for modifying the likelihood and/or consequence of risks, and implementing those options. Once implemented, treatments provide or modify the controls. An action should be implemented to treat certain risks.

Justification for risk treatment is broader than solely economic considerations and should consider all of Whyalla City Council's obligations, voluntary commitments and stakeholder expectations. Appropriate risk treatment options should have regard to the organisation's objectives, risk appetite, risk criteria and available resources.



6.3.1 Risk treatment priorities

Recognising that not all risks can, or should, be managed, Whyalla City Council has determined that it will prioritise treatment of risks in the following order:

- a) Strategic risks that exceed risk appetite
- b) Strategic risks that exceed risk tolerance
- c) Operational risks that are rated Extreme or High
- d) Operational risks that are rated either Moderate or High that exceed risk appetite.

The CEO may make exceptions to this prioritisation where there is an immediate or foreseeable risk to the health or safety of any person.

6.3.2 Risk treatment options

Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. Options for negative risks may include:

- | | |
|-----------|--|
| Eliminate | Remove an asset or discontinue an activity or service completely so as to eliminate the risk altogether |
| Share | Allocate risk to a third party, such as through appropriate contactor management, (noting however that S272 of the WHS Act voids any agreement or contract that purports to transfer any duty owed under the Act.) |
| Mitigate | Implement a type of treatment control to reduce or remove the risk. This may include but is not limited to options such as substitution (swapping), isolation (barricade), engineering (modify by design) or administration (policy/process) |
| Accept | Risk can be accepted for a number of reasons including: <ul style="list-style-type: none"> – no extra treatments being available; – meets the stated target risk appetite for the type of risk; – informed decision has been made about that risk; and – the cost of risk treatment significantly outweighs the potential risk exposure. |

For positive risks, options may include:

- | | |
|---------|---|
| Exploit | Implement strategies to capitalise on the likelihood of the risk eventuating and ensure that the organisation is able to respond quickly to the opportunities as they arise |
| Share | Partnering with another organisation that is able to add skills or value not currently available within Whyalla City Council. |
| Enhance | Influence the factors that will improve the likelihood of the opportunity arising |
| Accept | Maintain status quo by informed decision |

In selecting any risk treatment, consideration must be given to new risks that may arise from implementing it and the processes outlined in this framework applied to those new risks.



6.3.3 Control characteristics

Risk treatments need to be designed in a manner to ensure they are sufficient to mitigate that risk, and have some of the following characteristics if they are to become an adequate control:

- a) Documented (e.g. Policies, procedures, task lists, checklists)
- b) Systems-oriented (e.g. integrated and/or automated)
- c) Preventative (e.g. system controls) or detective
- d) Consistent and regular (including during staff absence)
- e) Performed by competent and trained individuals
- f) Clear responsibility and accountability
- g) Create value (i.e. benefits outweigh costs)
- h) Achievable for the organisation (based on available resources)
- i) Evidenced (i.e. documented or electronic audit trail)
- j) Confirmed independently

6.3.4 Preparing and implementing risk treatment plans

Risk treatment plans specify how the risk treatment options will be implemented, so that those involved understand what arrangements are in place and to allow progress against the plan to be monitored. Risk treatment plans are documented within the relevant risk register and project management plans, and provide the following information:

- a) Rationale for selection of treatment options;
- b) Responsibilities and accountability for approving and implementing the plan;
- c) Proposed actions and timeframes;
- d) Resourcing requirements;
- e) Constraints and contingencies; and
- f) Required reporting and monitoring.

6.4 Monitoring and Review

6.4.1 Review of risks and controls

Monitoring and review involves regular checking or surveillance of the effectiveness and efficiency of the risk management processes implemented.

A monitoring and review process will:

- a) Ensure that implemented controls are effective and adequate;
- b) Provide further information to improve risk assessment and treatment plans;
- c) Allow for the identification of emerging risks;
- d) Identify any new factors that may influence established strategies to mitigate risks.

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It is essential to monitor all activities and processes in order to capture new or emerging risks arising from the changing environment, (both internal and external) and the activities undertaken by Whyalla City Council's employees, contractors and volunteers.

Monitoring and review guidelines and timeframes are captured in the Risk Reporting structure, (see section 7.)

6.4.2 Project risks

Due to the dynamic nature of most projects, a risk may change over the project lifecycle, triggering the need for reassessment. The monitoring and scheduled review process allows for both validation of risks to ensure that they remain relevant and adaptation of project plans as necessary.

Any changes in risks throughout the project and following completion should be recorded and used for future project planning.

6.4.3 Audit

The audit process plays an important role in evaluating the internal controls (and risk management processes) currently employed by Whyalla City Council. Our audit program is 'risk based' and provides assurance that we are managing our risks appropriately. The Audit and Risk Committee provide oversight of the planning and scoping of the internal audit work plan. In developing the audit work plan, consideration is given to the extreme, high and moderate risks identified by the risk assessment process.

The internal audit process will measure risk by:

- a) **Measuring compliance** – has the organisation met its Policy objectives
- b) **Measuring maturity** – measuring against best practice and sector benchmarking
- c) **Measuring value add** – has the framework and risk culture added to the achievement of Whyalla City Council's strategic objectives

Information is shared between the risk management and internal audit functions. Changes in our risk profile are reflected in our internal audit work plan. Similarly, control issues identified through internal audit will inform our risk management framework. The internal audits are conducted to provide assurance that key risks have been identified and the controls in place are adequate and effective, as per the following table.

Rating	Definition
Design adequacy	
Adequate	The control is designed in a manner that it can give reasonable assurance that the risk will be mitigated. In other words, existing systems and procedures cover known circumstances and provide reasonable assurance for majority of risks.
Partially adequate	The control is designed in a way that will partially mitigate the risk and designed in a way to partially meet the design objectives.
Inadequate	The design of the control is not sufficient enough to give reasonable assurance that the risk will be mitigated. There may be no systems and procedures in place, or existing systems and procedures are obsolete and require review.
Operating effectiveness	



Effective	The control operates in a manner that is effective in terms of being consistent, complete, reliable and timely.
Partially effective	The control partially operates in a manner that is effective in terms of being consistent, complete, reliable and timely.
Ineffective	The control does not operate in a manner that is effective in terms of being consistent, complete, reliable and timely.

It is to be noted that the overall combination of the results of design adequacy and operating effectiveness will provide the overall rating of the control based on the table for overall rating. This assists in identifying improvements to existing controls.

	Effective	Partially effective	Ineffective
Adequate	Effective	Partially Effective	Ineffective
Partially adequate	Partially Effective	Partially Effective	Ineffective
Inadequate	Ineffective	Ineffective	Ineffective

7 Recording and reporting

7.1 General

The risk management process and its outcomes will be documented and reported, in order to:

- Communicate risk management activities and outcomes;
- Provide information for decision making;
- Provide opportunities for continuous improvement;
- Assist interaction with stakeholders, including those with responsibility and accountability for risk management activities.

Records will be managed and retained in accordance with State Records General Disposal Schedule for Local Government.

7.2 Risk Registers

Risk Registers enable the organisation to document, manage, monitor and review strategic, operational and project risk information in order to build a risk profile and provide direction on how to improve risk management processes. The Risk Register can be used to monitor whether, using the approach outlined in this framework, the risk management process is resulting in an increasing trend towards potential for success and less risk with negative consequences.

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7.2.1 Strategic risks

Strategic level risks are identified by the Executive Leadership Team and as part of an annual review at a minimum and will be recorded in the risk register. Any risks identified at the strategic level may be reflected in other corporate documents e.g. Strategic Plan, Annual Business Plan, and Asset Management Plans and mitigated through actions detailed within these documents; however should still be collated in the risk register for ease of monitoring and review.

Recording and reporting of strategic level risks is the responsibility of the Work Health Safety and Risk Business Partner via Executive Leadership Team and Audit and Risk Committee on a bi-annual basis.

7.2.2 Operational risks

Operational risks will be recorded in the Operational Risk Register and be reviewed at least bi-annually by the relevant Manager/s. Recording operational risks in the register and reporting of implementation and effectiveness of controls is the responsibility of Manager/s and workers.

7.2.3 Project risks

Project level risks may be identified by the Project management team at any time prior to, and during, the project management cycle and are initially recorded in the Project Risk Assessment Plan. Recording and reporting of project risks rest with the Project Owner.

7.2.4 Hazard Register/Risk Profile

Recorded from the summary of Risk Assessments for entered the Work Health Safety Management System Repository, Skytrust, in relation to worker activities, for the purpose of tracking hazards and safety risks in the line of work. Reviewed and endorsed by the Work Health Safety Committee and Executive Leadership Team Annually, with bi-annual reviews the responsibility of risk owners/People Managers to consider any changes to risk or controls.

7.3 Risk reporting

Report content	Reported to	Frequency
Council and Committee reports to include discussion of potential risks, based on completed risk assessment and treatments, (with the exception of routine administrative matters)	Council and Committee members	All Council and Committee meetings
Review and update of the risk register by Department Managers	Executive Leadership Team	Monthly to Executive Leadership Team, (or as otherwise required, e.g. organisational structure change/ process change/ new project)
Report by CEO on extreme and high strategic risks, including actions taken to mitigate the risk and outcomes or current status	Audit Committee	Each meeting, (as required)

Report content	Reported to	Frequency
Report of strategic risks (to verify that current risks are controlled within Council's risk appetite & tolerances & that there are strategies to address or monitor any emerging risks that have been identified)	Audit Committee	Bi-Annual
Report on compliance with policy and related documents	Audit Committee	As requested
Risk evaluation outcomes and risk maturity modelling progress/ summary report	Executive Leadership Team – detail Audit Committee - summary	Annually

7.3.1 Purpose

Risk based reports will draw data from the relevant risk register and provide monitoring and profile information as relevant to the Council, the Audit and Risk Committee and Executive Leadership Team to assist with;

- Understanding Whyalla City Council's risk exposure;
- Identifying risks that require increased attention and action;
- Providing relevant information to the Council about risks likely to impact upon achievement of strategic objectives;
- Dissemination of information to workers at all levels to support them in making risk informed decisions;
- 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
- Improving the risk culture and awareness throughout the organisation.

7.3.2 Content

Risk reporting will include:

Report content	Reported to	Frequency
Council and Committee reports to include discussion of potential risks, based on completed risk assessment and treatments, (with the exception of routine administrative matters)	Council and Committee members	Each meeting (as required)
Review and update of the Hazard/Risk Register by relevant People Manager	Executive Leadership Team	Bi-Annually

Report content	Reported to	Frequency
Reporting of the status of Hazard/Risk Register from Work Health Safety and Risk Business Partner to Executive Leadership Team	Executive Leadership Team	Monthly (or as otherwise required, e.g. organisational structure change/ process change/ new project)
Review of the Operating Risk Register by relevant People Manager	Executive Leadership Team	Annually (or as otherwise required, e.g. organisational structure change/ process change/ new project)
Reporting of the status of the Operational Risk Register from the Work Health Safety and risk Business Partner to Executive Leadership Team	Executive Leadership Team	Quarterly (or as otherwise required, e.g. organisational structure change/ process change/ new project)
Report by CEO on extreme and high strategic and/or operational risks, including actions taken to mitigate the risk and outcomes or current status	Audit and Risk Committee	Each meeting (as required)
Report of strategic risks (to verify that current risks are controlled within Councils' risk appetite & tolerances & that there are strategies to address or monitor any emerging risks that have been identified)	Audit and Risk Committee	Annual
Report on effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks	Audit and Risk Committee	Annual
Report by person primarily responsible for audit function relating to the audit work plan	Audit and Risk Committee	At least quarterly
Report by CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures	Audit and Risk Committee	Annual
Report by CEO or person primarily responsible for internal audit function on the responsiveness of the organisation to recommendations for improvement based on previous audits and risk assessments	Audit and Risk Committee	Quarterly [timeframe not defined in LG Act but suggested to tie in with report on internal audit work plan, if applicable]
Risk profiling outcomes and risk maturity modelling progress/ summary report	Executive Leadership Team	Bi Annually



8 Training

8.1 Workers

The risk management policy and framework, together with supporting tools will be made available to all workers through the intranet (Sharepoint), P: Drive and Skytrust.

Risk management is an overarching skill that sits across all functions and, as such, Whyalla City Council considers it to be a necessary competency that workers need in order to perform their day to day activities effectively. Risk Management awareness training will be provided to workers and will take into consideration the worker's role and level of past risk management experience and knowledge.

Risk management awareness training is captured on the training needs analysis (TNA), to ensure the effective implementation of this Framework.

8.2 Council Members

Council members are key strategic decision makers, and it is therefore imperative that they understand Whyalla City Council's Risk Management Policy and Framework and their role in informed planning and decision making, based on sound risk management principles.

Risk management awareness training will be scheduled for all Council members.

8.3 Audit and Risk Committee

Audit and Risk Committee members should, at a minimum, understand their roles and responsibilities as outlined in Whyalla City Council's Risk Management Policy and Framework, including the monitoring and review of reports and outcomes from management reviews and external audits.

9 Review of Risk Management Framework

This risk management framework and processes will be scheduled for review within 2 years from endorsement.

Review History

Version No:	Issue Date:	Description of Change
1.0	Sept 2016	New Document
2.0	Apr 2018	Updated references, included references to ISO 31000:2018
3.0	May 2018	Final document for member centre
3.1	July 2018	Updated risk categories in 6.3.1; Updated consequence & likelihood table and risk matrix in line with the WHS One System Hazard Management Procedure for consistency; included example consequence table for project risks & table of detailed risk areas in appendix
4.0	June 2020	Updated logo, updated as per scheduled review and reflects the AS ISO 31000:2018, Updated consequence table in appendix, included example risk tolerance statements and risk priorities.
4.1	June 2020	Included updated control information, minor formatting
5.0	September	Addition of drafting notes & common language; Updated relevant legislation & related

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	2021	documents; Remove duplications; Council/board responsibilities aligned with SA HB 436.1:2020; Added reference to internal controls audit at 5.2.25; Updated risk categories; Amendments to appetite and tolerance sections at 6.2.2; move risk treatment prioritisation to 6.3; include treatment options for positive risk; update control effectiveness table at 6.4.3; appendix A - deleted definitions not used elsewhere in document or already defined within document; Appendix B – update project risk consequence table; Appendix E – addition of communicable disease to detailed risk areas
5.1	September 2022	Alignment of principles with AS ISO 31000:2018; addition of positive consequences, replace “catastrophic” with “significant”
5.2	January 2024	Incorporation of LG Act amendments (s99, s125, S126, s126A)
5.2	June 2025	Review, adjustment of financial risks, reformatting, minor changes
5.3	October 2025	Consultation: 24 September 2025 Audit and Risk Committee recommended endorsement: 1/10/2025 Review of formatting, adjust ‘Executive Management’ to ‘Executive Leadership’



10 Appendices

Appendix A: Definitions

Assurance	A process that provides a level of confidence that objectives will be achieved within an acceptable level of risk
Consequence	The outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.
Control	An action that modifies risks and increases the likelihood that objectives and goals of an organisation will be achieved.
Enterprise Risk Management	The process that is applied in strategy setting and decision making throughout the organisation to identify, evaluate and manage potential risks that are likely to impact on achievement of objectives, set risk appetite and tolerance and manage risk within those parameters, and to provide reasonable assurance regarding the achievement of the organisation's objectives.
Event	Occurrence of a particular set of circumstances
Exposure/Rating	The risk exposure (also referred to as risk rating) is a qualitative value of the sum of the consequence of an event multiplied by the likelihood of that event occurring
External Context	External environment in which the organisation seeks to achieve its objectives
Frequency	A measure of the rate of occurrence of an event expressed as the number of occurrences of their event in a given time.
Internal Audit	An independent, objective assurance activity that uses a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Internal Context	Internal environment in which the organisation seeks to achieve its objectives
Likelihood	Chance of something happening
Monitor	To check, supervise, observe critically or record the progress of an activity, action or system on a regular basis in order to identify change.
Reasonable assurance	The concept that enterprise risk management, no matter how well designed and operated, cannot guarantee that an entity's objectives will be met. This is because of inherent limitations in all Risk Management Frameworks.
Risk Analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.
Risk Appetite	Is the amount of risk an organisation is prepared to accept in pursuit of its objectives
Risk Assessment	An overall process of risk identification, risk analysis and risk evaluation
Risk Culture	Risk culture refers to the behaviours that lead to how every person thinks about and manages risks,



<i>Risk Evaluation</i>	The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.
<i>Risk Management</i>	Coordinated activities to direct and control an organisation with regard to risk.
<i>Risk Management Framework</i>	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
<i>Risk Owner</i>	Staff member with the accountability and authority to manage a risk
<i>Risk Tolerance</i>	The acceptable variation in outcomes related to specific performance measures linked to objectives the organisation seeks to achieve
<i>Risk</i>	The effect of uncertainty on objectives
<i>Stakeholder</i>	Person or organisation that can affect, be affected by, or perceive themselves to be affected by, a decision or activity



Appendix B: Consequence Tables

Qualitative Measures of Consequence (excluding Project Risks)

Rank	People	Financial/ Infrastructure	Service Delivery	Reputation	Environmental/ Cultural site disturbance	Legal/ Regulatory/ Policy
Insignificant	No or minor injuries not requiring first aid treatment, or near miss Annual staff turnover of <5%	Financial – low financial loss <\$100,000 impact on operating result Minor failure of infrastructure – no inconvenience to stakeholders	Insignificant interruption to a service – no impact to customers/business	Little community interest, low profile, no media items	Minor instance of environmental (e.g. soil, vegetation, coastal) damage. can be reversed immediately Minimal (but discernible) disruption to Aboriginal site. Minimal spill or litter able to be removed immediately	No noticeable statutory or regulatory impact Fines < \$10,000
Minor	First aid treatment. Negligible impact on morale Annual staff turnover of <8%	Financial – medium financial loss 0.5% to 1.5% of rate revenue (\$100,000 to \$300,000) Minor failure that cannot be rectified immediately – minor inconvenience to stakeholders	Minor interruption to a service with minimal impact to customers/business	Low impact, some passing interest, low media profile	Minor impact to environment, e.g. on-site chemical release, spill or sand/soil movement that can be immediately contained. Can be reversed in the short term Minor disruption to Aboriginal site Litter able to be removed in a short time frame, (e.g. same day)	Minor/temporary non-compliance with statutory requirements Fines less than \$50,000 for the organisation



Rank	People	Financial/ Infrastructure	Service Delivery	Reputation	Environmental/ Cultural site disturbance	Legal/ Regulatory/ Policy
Moderate	Medical attention required. Short Term effect on morale and business Annual staff turnover of >9% of entire workforce or 30% of a work group Loss of member of Executive Leadership Team Loss of up to 4 Council members more than 12 months out from LG Elections	Financial – high financial loss 1.5% to 3.5% of rate revenue (\$300,000 to \$700,000) Significant failure of infrastructure that will require work-arounds - moderate inconvenience to stakeholders	Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	Moderate impact, moderate public interest, public embarrassment, moderate media profile	Moderate impact to environment. Localised damage or chemical release that has potential to spread but can be contained or reversed with intensive efforts or outside assistance Noticeable disruption to Aboriginal site Litter removal requires outside assistance, (e.g. contractor or government agency)	Short-term non-compliance with moderate statutory requirements Fines < \$50,000 for an individual or < \$500,000 for the organisation



Rank	People	Financial/ Infrastructure	Service Delivery	Reputation	Environmental/ Cultural site disturbance	Legal/ Regulatory/ Policy
Major	Extensive injuries - serious long term injury. Temporary disablement. Annual staff turnover of >10% Significant impact on morale and business Loss of 2 members of Executive Management Team Temporary loss of 3-4 Council Members	Financial – major financial loss 3.5% to 7.5% of rate revenue \$700,000 to \$1.5 million) Major failure of infrastructure that severely limits functionality – significant inconvenience to stakeholders	Major interruption to service delivery or production capability, Customer impact > 7 days. Component of BCP action may be needed.	Sustained public interest, high negative media profile, Premier/Cabinet publicly involved, third party action	Off-site chemical release, severe loss of environmental amenity or danger of continuing environmental damage. Significant disruption to Aboriginal site(s)	Significant non-compliance with essential statutory requirements Fines <\$300,000 for an individual or < \$1,500,000 for the organisation



Rank	People	Financial/ Infrastructure	Service Delivery	Reputation	Environmental/ Cultural site disturbance	Legal/ Regulatory/ Policy
Significant	Death. Long term effect on morale and performance of business Annual staff turnover of > 75% Loss of entire/majority of Executive Management Team Permanent loss of 5 or more Council Members	Financial – huge/ catastrophic financial loss/exposure > 7.5% of rate revenue (\$1.5 million) Total failure of infrastructure	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.	Widespread public agitation, Government censure, high multiple impacts, widespread negative media profile	Toxic off-site chemical release with detrimental effect, major loss of environmental amenity or irrecoverable environmental damage Irreversible disruption to Aboriginal site	Long term or indefinite non-compliance with essential statutory requirements and may result in criminal charges Fines > \$300,000 for an individual or > \$1,500,000 for the organisation

Consequence Table for Project Risks

Rank	Cost	Schedule	Performance	Reputation	Safety
Insignificant	< 2.5% of total Project Budget	< 2.5% of total Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there may be some qualification to the level to which it would perform non-critical elements of the mission or task. Few such qualifications would exist.	Little community interest, low profile, no media items	Minor injuries not requiring first aid treatment, or near miss



Rank	Cost	Schedule	Performance	Reputation	Safety
Minor	2.5-5% of total Project Budget	2.5-5% of total Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there would be some qualification to the level to which it would perform non-critical elements of the mission or task. Several such qualifications would exist.	Low impact, some passing interest, low media profile	Minor Medical attention. Negligible impact on morale
Moderate	6-10% of total Project Budget	6-10% of total Project Schedule	Would cause the delivered capability to be partly functionally fit for purpose (i.e. degraded ability to perform all desired missions or tasks; however, there are known workarounds). There would be some qualification to the level to which it would perform (e.g. due to issues of relationships, concurrency, etc.). Several such qualifications would exist.	Moderate impact, moderate public interest, public embarrassment, moderate media profile	Medical attention required. Short Term effect on morale and project outcome.
Major	11-20% of total Project Budget	11-20% of total Project Schedule	Would cause the delivered capability to be only partly functionally fit for purpose (i.e. degraded ability to perform some core missions or essential tasks or unable to perform non-core missions or tasks, and there are no known workarounds).	Sustained public interest, high negative media profile, Premier/Cabinet publicly involved, third party action	Serious Long Term Injury. Temporary disablement. Significant impact on morale and project outcome.
Significant	>20% of total Project Budget	>20% of total Project Schedule	Would cause the delivered capability to be functionally unfit for its intended purpose (i.e. unable to perform core missions or essential tasks).	Widespread public agitation, Government censure, high multiple impacts, widespread negative media profile	Death. Long term effect on morale and project outcome.



Appendix C: Likelihood Table

Likelihood	Explanation – Operations	Explanation – Projects/ Business Case	Probability
Certain to occur	It is expected to occur in most circumstances, immediately or within a short period – at least once a year	Could be expected to occur more than once during the study or project delivery	Expected to occur in most circumstances
Very likely	Will probably occur in most circumstances – Around 1 – 5 years	Could easily be incurred and has generally occurred in similar studies or projects.	Probably will occur
Possible	Might occur at some time - within a 5 - 10 year period.	Incurred in a minority of similar studies or projects	Moderate probability of an incident
Unlikely	Could occur at some time - in a 10 – 20 year time frame.	Known to happen, but only rarely.	Low probability of an incident
Rare	May occur only in exceptional circumstances. Could be incurred in a greater than 20 year timeframe.	Has not occurred in similar studies or projects. Conceivable but in extreme circumstances.	Extremely low probability. Will only occur in exceptional circumstances





Appendix D: Risk matrix

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Significant
Certain to occur	High	High	Extreme	Extreme	Extreme
Very likely	Medium	High	High	Extreme	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Rare	Low	Low	Medium	High	High

Appendix E: Detailed Risk Areas

Aerodromes	Includes all land and ground services at the Whyalla Airport for regular passenger transport and general aviation
Animal Management	Dog and cat management, control of feral/pest animals
Arts & Culture	May include performing arts, (e.g. theatre productions) but does not include events – refer Event Management
RV Facilities	Includes camping facilities and RV parking
Cemeteries/Crematoria	Regional facility and includes cemetery and crematoria
Child Care	Long day care centre and early childhood learning centre
Coastal & Inland Waterways	Includes: Beachfront, Boat Ramps; Jetties, Marinas, Whyalla Marina swimming enclosure
Community Development	Includes youth services and sports
Land & Buildings	Includes: Building Safety; Hire of Facilities; Leasing Arrangements. Includes community facilities, toilets etc
Economic Development	Includes business support
Emergency Management	Includes BCP, workplace emergencies, community emergencies
Event Management	Includes events organised by Council and third-party events on Council's land
Financial Management	Includes borrowings and other financial arrangements, debtors, creditors, rates and other revenue
Governance	Includes special committees; Council members
Health – Communicable disease	Including pandemic
Health - Inspections	Including food and other health inspections (proactive and reactive)
Health - Provision of clinical services	Including provision of high school and staff immunisation
Human Resources	Including recruitment and retention
Information Technology	Including IT infrastructure, cyber security and data protection
Library Services	Including digital literacy programs, children's services, home library, mobile library etc.
Planning & Development	Including Planning Development & Infrastructure Act, issues arising from past development approvals, certification & inspections
Playgrounds/Outdoor Gym Equipment	Including nature play. Whyalla has 24 playgrounds, located in various open spaces and including the Whyalla Childcare Center
Procurement, Contracts, Tenders	Includes contract/contractor management
Psychological/Psychosocial Risk	Safe Work Australia defines psychosocial risks as anything that could cause psychological harm (e.g. harm someone's mental health, safety or wellbeing)
Regulatory	Including parking enforcement and fire prevention
Roads & Footpaths	Including provision and maintenance of roads & footpath management

Smart Technology	Including drones; driverless vehicles; CCTV; electric vehicle charging stations
Sport/Recreation/Leisure	Including leisure facilities/services; recreational reserves - sport & non-sport
Strategy/reputation	Including perception of community expectations
Swimming Pools	Does not include jetty pools or swimming enclosures – refer coastal and inland waterways, Whyalla Recreation Centre
Tree Management	Including planting, maintenance and arbor services of trees
Tourism	Including visitor information centre, visitor information pod and information bays
Volunteers	Including non-paid persons who volunteers across all departments
Waste Management	Including rubbish collection, recycling and waste transfer stations
Water Management	Including aquifer storage reserves, wetlands, drainage, stormwater management and recycled water



RISK MANAGEMENT POLICY

First issue/ approved	22/10/2025
Classification	Risk Management
Policy owner	Risk - People & Culture
Last reviewed	22/10/2025
Next review	23/10/2027
Council file reference	R-001
Responsible officer	Work Health Safety and Risk Business Partner
Relevant legislation	Local Government Act 1999 Work Health and Safety Act 2012 Work Health and Safety Regulations 2011 Civil Liabilities Act 1936 State Records Act 1997
Related documents	AS ISO 31000:2018 Risk Management – Guidelines SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives Whyalla City Council Risk Management Framework Risk Appetite Statements LGAMLS Scheme Rules (gazetted July 2020)
Authorised	Approved:  Justin Commons Chief Executive Officer

1. Purpose

- 1.1. Whyalla City Council recognises that effective risk management policies, systems and processes will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its strategic objectives.
- 1.2. The purpose of the Risk Management Policy (the Policy) is to enable an integrated and systematic approach to risk management by:
 - Articulating Whyalla City Council's commitment to core risk management principles;

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- Supporting the implementation and maintenance of a Risk Management Framework ("the Framework") that comprises the tools and processes that underpin the organisation's risk management approach; and
- Reviewing and evaluating the effectiveness of Whyalla City Council's 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.

2. Policy statement

- 2.1. The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.
- 2.2. Whyalla City Council is committed to developing and maintaining structured and comprehensive risk management systems and processes that are dynamic and based on best available information.
- 2.3. Engagement with Whyalla City Council employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication will be developed and maintained.
- 2.4. Whyalla City Council will monitor and review its strategic, financial, operational, WHS and project risks and apply learnings to continually improve efficiency and effectiveness.

3. Performance measures

The performance of the risk management program will be measured through the following performance indicators:

- a) Year on year reduction in strategic risks rated "extreme" and "high"
- b) Number of Elected Members and employees trained in risk management, (as a percentage of total)
- c) Tangible improvement in risk maturity modelling
- d) Achievement of risk management action plan

4. Legislative requirement and policy context

- 4.1. Section 48 of the Local Government Act 1999 ('LG Act') requires Councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Council.)
- 4.2. Section 99(1)(ia) of the LG Act requires the CEO to ensure that effective policies, systems and processes are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.
- 4.3. Section 125 of the LG Act requires Whyalla City Council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 4.4. Section 125A requires the person primarily responsible for the internal audit function to ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee and may report any matters relating to the internal audit function directly to the audit and risk committee;
- 4.5. Section 126/126A(4)(g) requires the council/ audit and risk committee to review and comment on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures;
- 4.6. Section 126/126A(4)(h) requires the council/ audit and risk committee to review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification,

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assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis;

- 4.7. Section 132A of the LG Act requires Whyalla City Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- 4.8. As a member of the Local Government Association Mutual Liability Scheme, Whyalla City Council is bound by the Scheme Rules, which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim.

5. Definitions

Definitions are outlined within the Framework.

6. Roles & responsibilities

6.1. Council

The Council is responsible for:

- a) Setting the organisation's risk appetite and policy for managing risk;
- b) Giving adequate consideration to risks when setting objectives and making decisions;
- c) Fostering a culture that is consistent with the organisation's appetite for risk;
- d) Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- e) Setting an appropriate governance structure for risk and risk management including Audit and Risk Committee and delegations;
- f) Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate;
- g) Requiring the CEO to provide information to allow the Council to understand the risks that may have material impacts on achievement of the organisation's objectives; and
- h) Considering recommendations from the Audit and Risk Committee relating to strategic, financial and operational risks or any other risk matter.

6.2. Audit and Risk Committee

The Audit and Risk Committee is responsible for:

- a) Reviewing, providing feedback, and recommending endorsement of the criteria contained within the Risk Management Framework (noting that the Audit and Risk Committee cannot *endorse* in its own right);
- b) Monitoring Whyalla City Council's responsiveness to recommendations for improvement based on previous audit and risk assessments, including those raised by Council's auditor;
- c) Providing oversight of the planning and scoping of the internal audit work plan and reviewing internal audit reports on at least a quarterly basis;
- d) Reviewing the annual report from the Chief Executive Officer in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures, and;
- e) Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic,

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financial and operational risks on a regular basis.

6.3. Chief Executive Officer (CEO)

The CEO has the responsibility for:

- a) Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- b) Reviewing, providing feedback and supporting endorsement of the Risk Management Framework;
- c) Ensuring that effective policies, systems and processes are established and maintained for the identification, assessments, monitoring, management and annual review of strategic, financial and operational risks and providing a report to the audit and risk committee on a regular basis;
- d) Allocating and upholding accountability for managing risk;
- e) Ensuring the Executive Leadership Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) Regularly reviewing strategic, financial and operational risks and maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls;
- g) Ensuring compliance with legislative and contractual obligations and policy requirements;
- h) Providing reliable information about risks, controls and their effectiveness to the Council;
- i) Reporting annually to the audit and risk committee on the internal audit processes; and
- j) Escalating all strategic risks that exceed the organisation's risk appetite to the Audit and Risk Committee or Council, as required.

6.4. Executive Leadership Team

Members of the Executive Leadership Team are responsible for:

- a) Commitment to, and promotion of, this Policy and the Framework;
- b) Monitoring the organisation's overall risk profile and mitigation strategies;
- c) Ensuring that risk management is embedded into all functions and activities, including decision making;
- d) Ensuring that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments);
- e) Incorporating risk treatments into business unit planning;
- f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;
- g) Providing incentives and performance management arrangements that support the desired approach to managing risk;
- h) Promoting a proactive risk culture in accordance with business management initiatives;
- i) Collectively reviewing strategic risks and considering emerging risks, (prior to Audit and Risk Committee meetings);
- j) Ensuring compliance with legislative and contractual obligations and policy requirements, and;
- k) Seeking support form the Work Health Safety and Risk Business Partner in relation to risk management, where appropriate.

6.5. Work Health Safety and Risk Business Partner

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The Work Health Safety and Risk Business Partner is responsible for:

- a) Providing guidance and assistance to the Executive Leadership Team and employees in relation to the application of this framework;
- b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Executive Leadership Team or cascaded to workers, as relevant;
- c) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance; and
- d) Maintaining the Risk Register(s) and reporting timeframes as required.

6.6. Employees, Volunteers and Contractors (Workers):

All Workers are responsible for:

- a) Understanding the risk management processes that apply to their area of work; and
- b) Identifying, evaluating, reporting and managing, (or escalating) risks relating to daily activities and projects.

7. Review

This policy will be reviewed every 2 years, or more frequently if legislation, relevant standards or organisational needs change.

8. Availability

8.1. This Policy will be available via the P: Drive under folder 'Risk Management' and on Skytrust (Whyalla City Council Work Health Safety Management System Repository) > Documents > *Risk Management Framework*.

8.2. The Framework is available to all employees via intranet under the Work Health Safety page.

Review history

Document History		
Version	Issue Date:	Description of Change
1.0	Sept 2016	New Document
2.0	April 2018	Revised to reflect ISO31000:2018 updates
3.0	May 2018	Updated for member centre
4.0	June 2020	Updated logo, Updated as per scheduled review and reflects the AS ISO 31000:2018
4.1	June 2020	Updated reference to Australian standard AS ISO 31000: 2018 – Risk management Guidelines, minor formatting
5.0	January 2022	Addition of State Records Act, removed reference to "Council", inclusion of measurable performance measures, addition of Scheme rules reference at 4.5, alignment of roles & responsibilities with Framework, addition of drafting notes, formatting
5.1	February 2024	Incorporation of LG Act amendments (s99, s125, S126, s126A)
5.2	June 2025	Minor formatting, review of document, update to reflect Whyalla City Council processes
5.3	October 2025	Minor formatting change 'Executive Management Team' to reflect 'Executive Leadership Team' review post organisation consultation at 24/9/2025, removal of 6.2. (F), review post Audit and Risk Committee endorsement in principle obtained 1/10/2025

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 Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia	Scope – Strategic Risk Services	Council: Whyalla City Council
		Date: V1.1: 04/12/2024
		Key Contact: Ellisha Papoulis: Acting Manager People and Culture

Scope: Strategic Risk Service Program

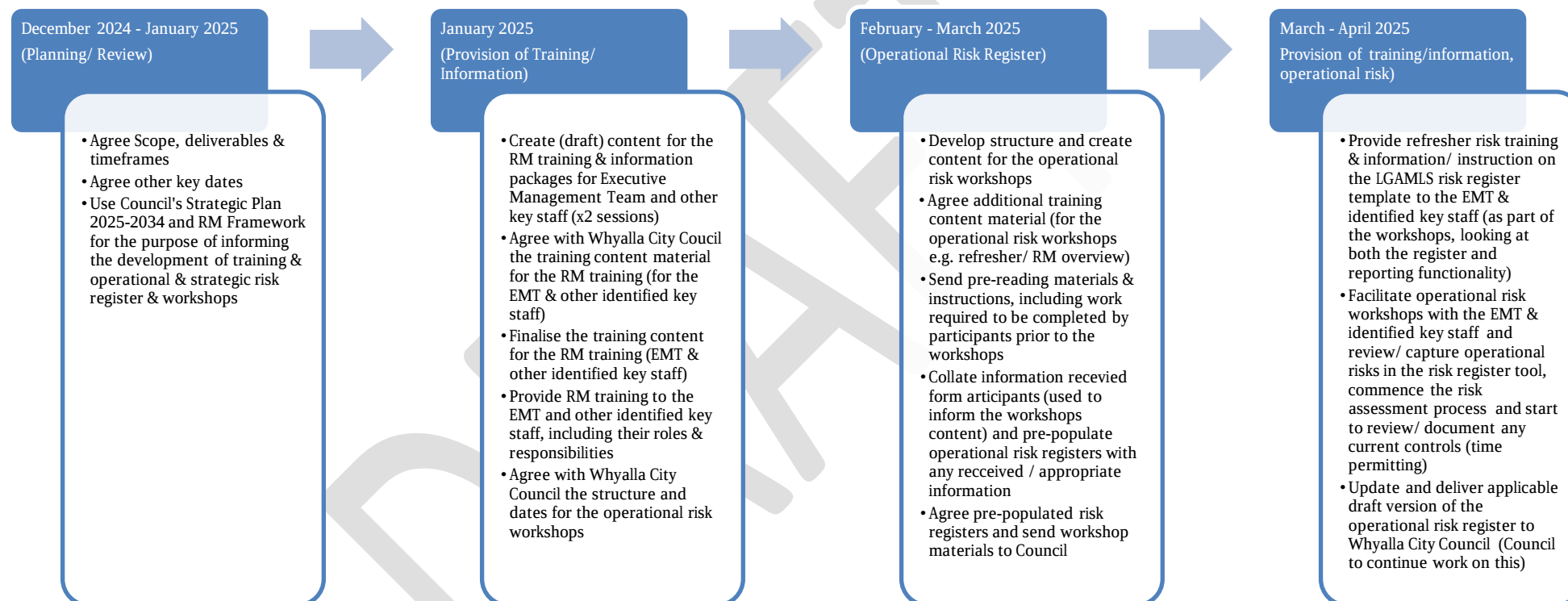
Background	Following the Risk Maturity Survey conducted in November 2024, Whyalla City Council have recognised the need to review and update their risk management systems and the subsequent need to implement this across the organisation. This will involve the provision of Enterprise Risk Management (ERM) training to the Executive Management Team (EMT) and identified key staff, the review and update of strategic and operational risk registers, a risk update and information session for Elected Members, and assistance in articulating Council's risk appetite to support decision making and provide clarity to staff in managing risk and prioritising risk treatments. In addition to this, Whyalla City Council have also recognised the value to re-measure their current level of risk maturity following the completion of these works to verify the effectiveness of services delivered. Whyalla City Council have sought to partner with the MLS to facilitate this requirement and the Strategic Risk Team has been engaged to create a customised program to meet Council's needs and structure the work as a partnership between the Whyalla City Council and the Scheme to evolve Council's risk system to a point where the expectations of their Audit and Risk Committee, Council and Executive Management Team can be met.
Objectives:	• The Executive Management Team and key staff are aware of the underpinning principles of risk management, including their roles and responsibilities and can apply the risk management process in practice, across the organisation • The Executive Management Team and key staff can apply risk management principles and processes to strategic and operational planning and decision-making • Elected Members can understand the connection between risk management and the strategic planning and decision-making processes • To support the continuous development and update of risk appetite statements that are aligned to Council's strategic plan and risk categories • To understand Council's level of risk maturity, once the work has been completed and identify appropriate strategies to continue to support implementation of the risk management framework throughout the organisation
Scope of Services:	• Provide training to the Executive Management Team and other identified key staff on enterprise risk management and Council's risk management framework, including their roles and responsibilities and applying risk management principles and processes to strategic and operational planning and decision making • Provide information for Elected Members on enterprise risk management and Council's risk management framework, including their roles and responsibilities and how to apply risk management principles to strategic planning and decision-making processes

 Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia	Scope – Strategic Risk Services	Council: Whyalla City Council
		Date: V1.1: 04/12/2024
		Key Contact: Ellisha Papoulis: Acting Manager People and Culture

	• Create training packs, including tools for workshopping strategic and operational risks (taking into consideration previous work undertaken) • Facilitate workshops to review and/or identify and assess Council's strategic and operational risks (review/ refresh/ update) • Provide final deliverables: used as a resource for Council's updated draft strategic and operational risk register (to be completed by Council following the workshop) • Deliver risk appetite awareness sessions and workshop with Executive Management Team, key staff and Elected Members to support the articulation of risk appetite statements that are aligned to Council's risk categories • Document risk appetite statements in a summary report for consideration by Council and/or Audit and Risk Committee. • Provide mentoring as requested by Whyalla City Council (this will depend on capacity of resources and would require prior planning) as a part of post program support
Out of Scope:	The Strategic Risk Team will not be responsible for the design and implementation of controls for each of the risks identified. Testing and assessment of controls will not be performed. This work is the function of Whyalla City Council once their risk management system is implemented.
Timelines:	This project will be delivered commencing from January 2025. Key dates will be agreed with Council's Executive Management Team prior to the commencement of the project, with the main risk management activities planned to be delivered by the end of August 2025. To allow Council sufficient time to undertake follow up risk activities and framework implementation, a timeframe of around 18 months from completion of the work has been set to complete the second risk maturity assessment. Key dates will be agreed with Council's Executive Management Team prior to the commencement of the project.
Sponsor:	Justin Commons, CEO

 Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia	Scope – Strategic Risk Services	Council: Whyalla City Council
		Date: V1.1: 04/12/2024
		Key Contact: Ellisha Papoulis: Acting Manager People and Culture

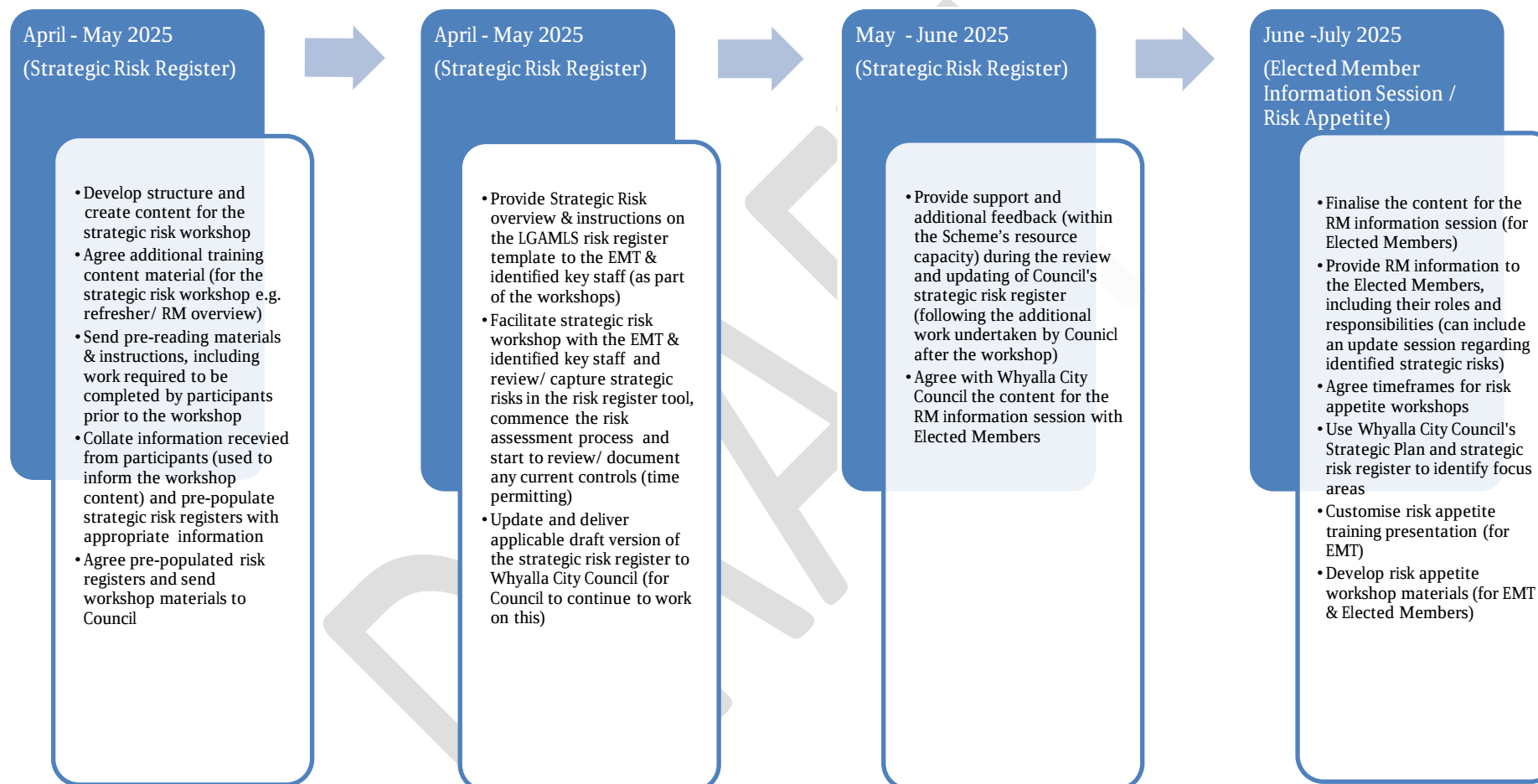
Detailed Project timeline (December 2024 to March 2027)





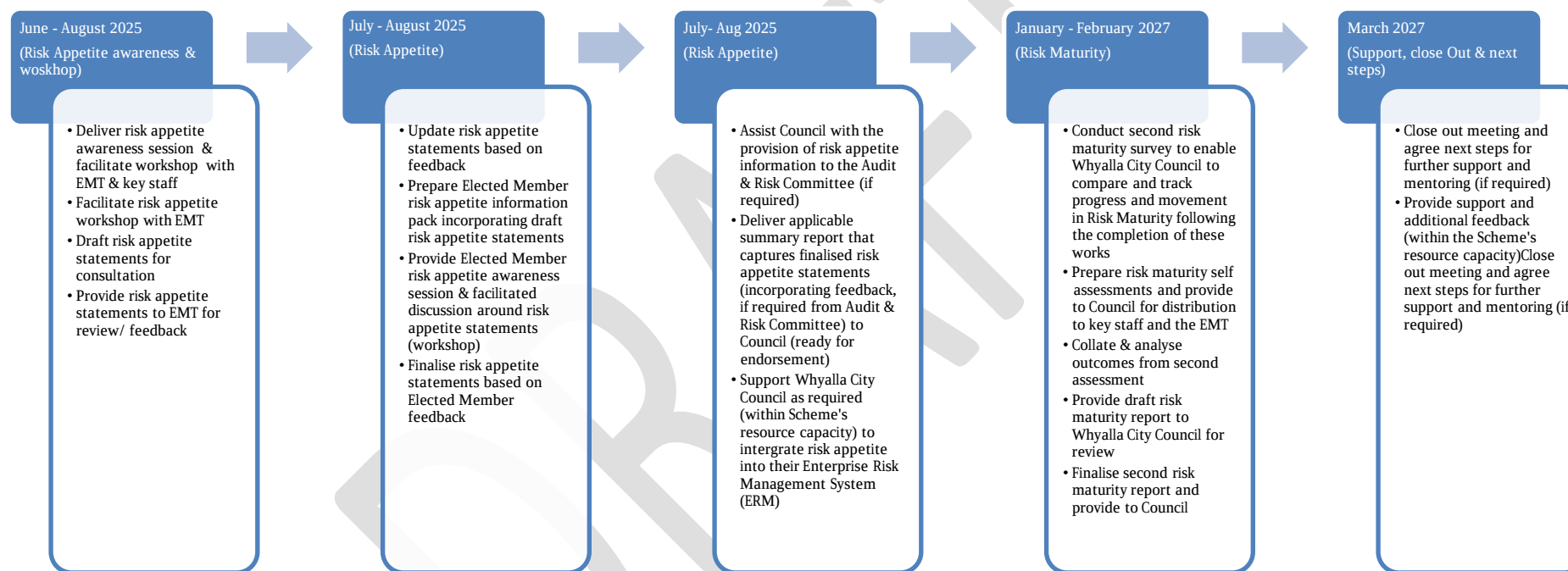
Scope – Strategic Risk Services

Council:	Whyalla City Council
Date:	V1.1: 04/12/2024
Key Contact:	Ellisha Papoulis: Acting Manager People and Culture



 Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia	Scope – Strategic Risk Services	Council: Whyalla City Council
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 Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia	Scope – Strategic Risk Services	Council: Whyalla City Council
		Date: V1.1: 04/12/2024
		Key Contact: Ellisha Papoulis: Acting Manager People and Culture

Prepared by:	Kirra Spalding: Strategic Risk Consultant	Date:	V1.1: 04/12/2024
Reviewed by:	Stevie Sanders: WHS & Risk Manager –LGAWCS	Date:	V1.1 06-01-2025
Approved by:	Justin Commons: CEO	Date:	21 Jan 2025 

3. ITEMS FOR NOTING

3.8 Operational Resource Capacity and Open Space Service Levels Review

Audit and Risk Committee 19 June 2026

Author's Title: Colin Sharp – Manager Operations
Paul Day – General Manager Infrastructure
Directorate: City Infrastructure

File No.: 0-203 & 3-38

Annexure – Nil

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

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Yes

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No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

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Yes

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No

Reason – Not applicable

PURPOSE

The purpose of this report is to inform the Audit and Risk Committee of the outcomes of the six-month interim review of service levels being undertaken as part of a 12-month service level trial.

The report provides an integrated assessment of service demand, workforce capacity, delivery performance and operational constraints observed during the first six months of the trial. It outlines the implications of these findings on backlog growth, service sustainability and operational risk and presents options to support informed decision making ahead of the final 12-month review.

SUMMARY

This report presents the findings of the six-month interim review of operational service levels undertaken as part of the approved 12-month service level trial within City Operations.

The interim review indicates that while priority services continue to be delivered, current service demand exceeds available workforce capacity across several operational areas. As a result, non-critical and lower priority works have experienced increasing backlogs, extended response times and growing operational risk.

The review confirms that existing resourcing levels are not sustainable under current demand conditions and that continued delivery of all services at historical levels is not achievable without adjustment. These pressures have been compounded by workforce availability constraints, reactive workload growth and the cumulative impact of deferred maintenance.

The findings of this interim review, provide an evidence orientated basis for considering adjustments to service levels, resourcing, prioritisation frameworks, or delivery models for the remainder of the trial period. The outcomes will inform future recommendations to Council ahead of the final 12-month review to ensure service delivery remains transparent, achievable, and aligned with community expectations and organisational capacity.

RECOMMENDATION

The Audit and Risk Committee note the 'Operational Resource Capacity and Open Space Service Levels Review' report.

3.8 Operational Resource Capacity and Open Space Service Levels Review

REPORT

BACKGROUND

A central component of the 12-month service level trial has been the introduction and refinement of structured service levels to manage demand within a constrained operational capacity.

The prioritisation focuses on high use and high value community assets, where service deterioration would have a disproportionate impact on accessibility, amenity or public confidence. Operational resources have therefore been preferentially directed toward assets such as key reserves, playgrounds and civic areas where service outcomes are more visible, and usage rates are higher.

Lower priority activities, including routine works across lower use assets, non-critical aesthetic maintenance, and environments where construction or layout significantly reduces productivity, have been deprioritised during periods of resource constraint. This has resulted in extended service intervals and backlog growth in some areas, however, these impacts have been a conscious outcome of prioritisation decisions rather than unplanned service failure.

The interim review confirms that prioritisation decisions are occurring daily at both supervisory and operational levels, requiring constant trade-offs between competing demands. The review highlights that while prioritisation frameworks are functioning as intended, they have also exposed structural misalignment between historic service expectations and deliverable capacity under current workforce availability, weather impacts and reactive workload pressures.

These findings reinforce that prioritisation alone cannot resolve systemic capacity shortfalls. Instead, the trial period has demonstrated the importance of transparent prioritisation frameworks as a tool to clearly articulate what work can reasonably be delivered, what work is deferred and the associated implications for asset condition, backlog growth and community expectations.

DISCUSSION

The six-month interim review confirms that the service level trial has achieved its primary objective of improving visibility of operational capacity, service demand and delivery constraints across City Operations.

A key finding of the interim period is that service pressures are not being driven by isolated performance issues, but by systemic capacity limitations when measured against current demand and historical service expectations. Workforce availability, reactive workload growth, weather impacts and non-productive time factors have collectively reduced the proportion of planned work that can be consistently delivered. These constraints have been further amplified by the cumulative effects of deferred maintenance and increased asset base complexity.

The review also confirms that historic service levels and community expectations were established during periods of different workforce availability, delivery models and demand profiles. The trial has therefore highlighted a growing misalignment between what is expected, what is funded and what is operationally achievable under current conditions. This misalignment presents an increasing risk to service sustainability, if not addressed through recalibration of service levels, resourcing approaches or delivery methods.

While the trial has identified areas where productivity improvements and refined planning may yield incremental benefits, the interim findings indicate that efficiency measures alone are unlikely to resolve current pressures. Structural decisions relating to service scope, prioritisation thresholds, investment levels, or alternative delivery models will be required if Council seeks to stabilise backlogs and maintain asset condition over the longer term.

The interim review provides a critical checkpoint within the 12-month trial period. It enables early identification of risks, validates the relevance of the trial's original assumptions and creates an opportunity to adjust settings where necessary before the final review. The discussion and findings contained within this report are intended to support informed, evidence-based consideration of service trade-offs ahead of the final 12-month assessment, rather than represent a final position on long-term service delivery arrangements.

Focus of Improvement – Remainder of the Trial Period

The next six months of the 12-month service level trial will focus on consolidating lessons from the interim review and applying targeted improvements to strengthen decision-making, delivery confidence and transparency ahead of the final trial assessment. The intent is not to materially expand service scope, but to improve how available capacity is planned, prioritised and communicated.

A key area of focus will be the refinement of prioritisation frameworks to ensure decision-making is applied consistently across City Operations. This includes strengthening alignment between corporate risk settings, operational priorities and day-to-day work allocation and ensuring that priority thresholds are clearly defined, understood and defensible. Improved consistency is expected to reduce variability in service outcomes and improve confidence in backlog management decisions.

The remainder of the trial will place increased emphasis on backlog transparency and management. Rather than attempting to absorb backlog growth within existing settings, the focus will be on clearly articulating what backlog exists, why it exists and the implications of continued deferral. This will support more informed consideration of service trade-offs and longer-term asset risks as part of the final review.

Data quality and reporting maturity will be another focus area. Enhancements to operational data capture and reporting will seek to improve the reliability of service performance insights, reduce anecdotal reliance and support clearer communication to Council on delivery constraints and outcomes. Improved data consistency is expected to strengthen the evidence base for final recommendations at the conclusion of the trial.

Finally, the remaining six months will be used to test whether incremental adjustments to planning, scheduling, or delivery methods can yield modest efficiency gains within existing resourcing. While the interim review indicates that efficiency improvements alone will not resolve current capacity pressures, identifying practical improvements remains important to fully inform the final trial assessment.

Together, these focus areas are intended to ensure the final six months of the trial provide a robust, evidence-based understanding of what service levels are achievable, what trade-offs are required and what decisions Council may need to consider to support sustainable service delivery beyond the trial period.

Development and Testing of Low-Maintenance Verge Options

The six-month interim review has identified verge environments as a key contributor to ongoing service delivery pressure and reduced operational productivity. Verge areas encompass a wide range of construction materials and treatments, many of which deliver limited amenity outcomes while requiring comparatively high and frequent maintenance input. This variability has resulted in fragmented delivery effort and increased sensitivity to workforce availability and reactive workload displacement.

Experience during the first half of the trial indicates that traditional verge maintenance models are increasingly difficult to sustain under current operating conditions. Inconsistent construction, access constraints, traffic management requirements and the cumulative effects of deferred works have reduced completion rates despite significant operational effort being applied.

In response, the next phase of the trial will include targeted development and testing of alternative low-maintenance verge approaches. This work will focus on identifying verge design and treatment options that better balance safety, amenity, constructability and long-term maintenance effort. The objective is to explore more consistent, resilient verge treatments that reduce the frequency and intensity of ongoing maintenance while remaining fit for purpose across differing street types.

The testing phase will be deliberately limited in scale and focused on evidence gathering rather than broad implementation. Selected verge typologies may be trialled to assess impacts on maintenance effort, crew productivity, service reliability, visual amenity, safety outcomes and whole-of-life cost. This approach ensures that learning can occur without creating new long-term asset or maintenance liabilities.

Options arising from this work, including potential verge standards, treatment types and associated service and asset implications, will be presented to Council through an upcoming briefing session. This will provide Council with the opportunity to review early findings, understand trade-offs and provide direction prior to any recommendations being finalised as part of the 12-month trial review.

Outcomes from the testing and Council briefing will be incorporated into the final trial assessment to inform future decisions relating to verge design standards, renewal approaches and sustainable maintenance models.

Financial Implications

There are no immediate financial implications associated with noting this report.

Strategic Plan

This report aligns with Council's strategic objectives relating to:

- Sustainable service delivery
- Responsible financial management
- Asset management and maintenance
- Community wellbeing and liveability

Theme 2

A quality lifestyle in a safe and connected community

Objective 2.1

Create a city that is attractive and showcases our natural and built assets.

- 2.1.2 Create city spaces that are attractive and showcase our natural and built assets.
- 2.1.4 Provide accessible social/ physical infrastructure that promotes and supports the health of our community through active and passive recreation opportunities.

Objective 2.2

Ensure that assets and facilities infrastructure is maintained and managed to meet the community's needs

- 2.2.2 Continue to look for opportunities to rationalise assets in line with shared service level.

Objective 2.3

Advocate for outcomes that improve the quality of life of Whyalla's residents

Our Strategies

- 2.3.3 Ensure a safe, accessible and desirable environment for all residents particularly our ageing population.

Theme 3

Sustainable employment and training opportunities that deliver economic prosperity.

Objective 3.3

Our city will be part of the transformation to a cleaner more sustainable future.

Our Strategies

- 3.3.1 Develop strategies to ensure that our assets are protected into the future.

Theme 4

Leadership that creates and shares a prosperous future for the community of Whyalla.

Objective 4.1

Whyalla Council Members commit to serving the Community.

Our Strategies

- 4.1.1 An all inclusive and respectful leader, working with each other and the Administration and community to grow our city and create opportunities for all residents.
- 4.1.2 We will make decisions based on facts, not emotions.
- 4.1.6 We will collaborate, be respectful, and committed to creating a prosperous future for Whyalla.

Legislation

This review has been undertaken with reference to Council's obligations under relevant legislation, regulations and associated standards governing the delivery and maintenance of local government services and assets.

Key legislative considerations include Council's obligations to:

- provide and maintain public infrastructure and public spaces in a condition that is safe and fit for purpose,
- meet statutory and regulatory requirements relating to workplace health and safety, public safety, and environmental management,
- exercise due care and diligence in the management of public resources, and
- apply transparent, defensible decision-making processes in the allocation of services and resources.

The service level trial and interim review do not alter Council's statutory responsibilities. Rather, they provide a structured mechanism to better understand how those obligations are being met within current resource constraints and where prioritisation, service adjustments, or alternative delivery approaches may be required to manage compliance risks.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The six-month interim review has identified both risks being actively managed through the service level trial and emerging risks that require ongoing monitoring for the remainder of the trial period.

The most significant operational risk identified relates to the continued misalignment between service demand and available workforce capacity. If unaddressed, this presents a risk of sustained backlog growth, further extension of service intervals and gradual deterioration in asset condition, particularly for lower priority assets.

There is also an identified risk to community perception and confidence where service expectations do not align with achievable delivery outcomes. Without clear communication and transparent reporting, deferred works may be perceived as service failure rather than the result of deliberate prioritisation decisions.

Social Considerations

The interim review has considered the social impacts of the service level trial, particularly in relation to community expectations, perceived amenity and equitable access to services. Prioritisation frameworks have been applied to protect safety critical functions and high use community assets, helping to minimise impacts on vulnerable users and essential public spaces.

Social considerations have also informed the exploration of alternative approaches, including low maintenance verge treatments, aimed at supporting more consistent and sustainable amenity outcomes over time. These considerations will continue to inform decision-making during the remainder of the trial and ahead of the final 12-month review.

Community Engagement

The six-month interim review has considered community engagement implications associated with the service level trial. No formal community consultation was undertaken during the initial trial period, as the trial focused on internal assessment of operational capacity, prioritisation methods and service delivery constraints.

Community feedback received during the trial has primarily occurred through routine service requests, complaints and operational interactions. This feedback has highlighted areas where service outcomes differ from historic expectations, reinforcing the importance of clear communication regarding service priorities and achievable delivery levels.

The interim review confirms that improved transparency and proactive communication will be essential as the trial progresses, particularly where service deferral or alternative approaches are being tested. Options arising from the trial, including proposed adjustments to service levels or asset treatments, will be supported by appropriate Council briefings to inform future engagement and any subsequent consultation requirements.

Conclusion

The six-month interim review of the 12-month service level trial has confirmed that City Operations is operating within a constrained capacity environment where service demand exceeds available resources. While statutory and safety critical services continue to be delivered, this has required prioritisation and acceptance of extended service intervals and backlog growth in lower priority areas.

The trial has successfully improved transparency around service delivery capability, prioritisation decisions and the trade-offs required to manage ongoing pressures. The findings demonstrate that current challenges are systemic rather than performance based and that historic service expectations are increasingly misaligned with achievable delivery under present conditions.

Importantly, the interim review provides a clear evidence base to guide the remainder of the trial. The focus will be on refining prioritisation frameworks, improving capacity and backlog visibility, testing targeted improvement initiatives and developing informed options for Council consideration, including alternative service and asset approaches.

The final six months of the trial will be critical in determining what service levels are sustainable, what trade-offs are required and what decisions Council may need to consider to support transparent, achievable and resilient service delivery beyond the trial period.

4. CONFIDENTIAL ITEMS

4.1 Verbal Update on Council Business and City Developments – **CONFIDENTIAL**

Audit and Risk Committee 19 June 2026

Meeting:

Author's Title: Lisette Symons – Executive Coordinator – **File No.:** 0-159
Corporate

Directorate: Executive

Annexures:

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

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Yes

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No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

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Yes

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No

Reason – Report contains information of a confidential nature the disclosure of which could breach a duty of confidence

RECOMMENDATION

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Grant Jennings; Manager Finance and Knowledge Management, Elisha Papoulis; Manager People and Culture, Colin Sharp; Manager City Operations and Lisette Symons; Executive Coordinator - Corporate be excluded from the meeting as the committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

4. CONFIDENTIAL ITEMS

4.2 Update from Council Representative – **CONFIDENTIAL**

Audit and Risk Committee 19 June 2026

Meeting:

Author's Title: Lisette Symons – Executive Coordinator – **File No.:** 0-159
Corporate

Directorate: Executive

Annexures:

Annexure A

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

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Yes

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No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

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Yes

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No

Reason – Report contains information of a confidential nature the disclosure of which could breach a duty of confidence

RECOMMENDATION

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Grant Jennings; Manager Finance and Knowledge Management, Elisha Papoulis; Manager People and Culture, Colin Sharp; Manager City Operations and Lisette Symons; Executive Coordinator - Corporate be excluded from the meeting as the committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

4. CONFIDENTIAL ITEMS

4.3 Meeting Review – **CONFIDENTIAL**

Audit and Risk Committee 19 June 2026

Meeting:

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Corporate

Directorate: Executive

Annexures:

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