



AGENDA

CULTURE, ECONOMY AND CORPORATE COMMITTEE

11 MAY 2020

MEMBERSHIP: Councillors J Diffey, V Etheridge, D Grant, D Gumley, A Jones, S Lawrence, G Mohr, K Parker, J Ryan and B Shields

The meeting is scheduled to commence at .

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CEC20/15 REPORT OF THE CULTURE, ECONOMY AND CORPORATE COMMITTEE - MEETING 14 APRIL 2020 (ID20/389)	3
The Committee had before it the report of the Culture, Economy and Corporate Committee meeting held 14 April 2020.	
CEC20/16 REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE - MEETING 27 APRIL 2020 (ID20/424)	7
The Committee had before it the report of the Audit and Risk Management Committee meeting held 27 April 2020.	
CEC20/17 RESCINDING OF INTERNALLY RESTRICTED ASSETS POLICY (ID20/390)	199
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CEC20/18 RESCINDING OF RURAL RATING POLICY (ID20/391)	201
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CEC20/20	DUBBO REGIONAL COUNCIL CULTURAL PLAN (ID20/380)	206
	The Committee had before it the report dated 23 April 2020 from the Cultural Development Coordinator regarding Dubbo Regional Council Cultural Plan.	



**DUBBO REGIONAL
COUNCIL**

Report of the Culture, Economy and Corporate Committee - meeting 14 April 2020

**AUTHOR: Executive Manager Governance and
Internal Control**

REPORT DATE: 27 April 2020

The Committee had before it the report of the Culture, Economy and Corporate Committee meeting held 14 April 2020.

RECOMMENDATION

That the report of the Culture, Economy and Corporate Committee meeting held on 14 April 2020, be noted.



REPORT
CULTURE, ECONOMY AND CORPORATE
COMMITTEE
14 APRIL 2020

PRESENT: Councillors J Diffey, D Grant, D Gumley, A Jones, S Lawrence, G Mohr, K Parker and B Shields.

ALSO IN ATTENDANCE:

The Chief Executive Officer, the Executive Manager Governance and Internal Control, the Administration Officer CEO, the Community Support Officer, the Director Organisational Performance, the Chief Information Officer, the Chief Financial Officer, the Director Infrastructure, the Manager Infrastructure Delivery, the Director Culture and Economy, the Director Liveability, the Director Development and Environment and the Communications Partner.

The Local Government Act and Regulations were amended to provide for video conferencing of Council and Committee meetings. This meeting was held by video conference with live web streaming.

Councillor B Shields assumed chairmanship of the meeting.

The proceedings of the meeting commenced at 6.02pm.

**CEC20/8 REPORT OF THE CULTURE, ECONOMY AND CORPORATE COMMITTEE -
MEETING 9 MARCH 2020 (ID20/202)**

The Committee had before it the report of the Culture, Economy and Corporate Committee meeting held 9 March 2020.

Moved by Councillor D Gumley and seconded by Councillor S Lawrence

MOTION

That the report of the Culture, Economy and Corporate Committee meeting held on 9 March 2020, be noted.

CARRIED

CEC20/9 REPORT OF THE DUBBO REGIONAL COUNCIL AIRPORTS PANEL - MEETING 23 MARCH 2020 (ID20/295)

The Committee had before it the report of the Dubbo Regional Council Airports Panel meeting held 23 March 2020.

Moved by Councillor G Mohr and seconded by Councillor D Gumley

MOTION

That the report of the Dubbo Regional Council Airports Panel meeting held on 23 March 2020, be adopted.

CARRIED

CEC20/10 REQUEST FOR LEAVE OF ABSENCE - COUNCILLOR K PARKER (ID20/292)

The Committee had before it the report dated 6 April 2020 from the Chief Executive Officer regarding Request for Leave of Absence - Councillor K Parker.

This item was withdrawn at the request of Councillor K Parker.

CEC20/11 DESTINATION DUBBO: INTERNATIONAL READY - QUARTERLY PROJECT UPDATE (ID20/121)

The Committee had before it the report dated 25 February 2020 from the Tourism Product Development Manager regarding Destination Dubbo: International Ready - Quarterly Project update.

Moved by Councillor D Grant and seconded by Councillor J Diffey

MOTION

That the report of the Tourism Product Development Manager dated 25 February 2020, be noted.

CARRIED

CEC20/12 INVESTMENTS UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT - MARCH 2020 (ID20/245)

The Committee had before it the report dated 1 April 2020 from the Director Organisational Performance regarding Investments Under Section 625 of the Local Government Act - March 2020.

Moved by Councillor D Grant and seconded by Councillor A Jones

MOTION

That the report from the Director Organisational Performance dated 2 March 2020, be noted.

CARRIED

Councillor K Parker declared a pecuniary, significant interest in the matter now before the Committee and left the room and was out of sight during the Committee's consideration of this matter. The reason for such interest is that Councillor Parker is an employee of the Bank of Queensland, Dubbo, and Council has funds invested with Bank of Queensland, Dubbo.

CEC20/13 COVID-19 RATES FINANCIAL ASSISTANCE POLICY (ID20/298)

The Committee had before it the report dated 8 April 2020 from the Chief Financial officer regarding COVID-19 Financial Assistance Policy.

Moved by Councillor G Mohr and seconded by Councillor S Lawrence

MOTION

That, in accordance with Clause 9.3 of Council's Code of Meeting Practice, this item be considered as a matter of urgency.

CARRIED

Moved by Councillor G Mohr and seconded by Councillor S Lawrence

MOTION

- 1. That the draft COVID-19 Rates Financial Assistance Policy, as attached to the report of the Chief Financial Officer dated 8 April 2020 as Appendix 1, be adopted.**
- 2. That no interest be applied to outstanding Rates and Charges to these Ratepayers who make a successful application under the COVID-19 Rates Financial Assistance Policy for the period 1 June 2020 to 31 December 2020.**

CARRIED

CEC20/14 LEAVE OF ABSENCE (FILE13/353)

Requests for leave of absence were received from Councillors V Etheridge and J Ryan who were absent from the meeting due to personal reasons.

Moved by Councillor S Lawrence and seconded by Councillor D Gumley

MOTION

That such requests for leave of absence be accepted and Councillors V Etheridge and J Ryan be granted leave of absence from this meeting.

CARRIED

The meeting closed at 6.14pm.

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CHAIRMAN



DUBBO REGIONAL
COUNCIL

Report of the Audit and Risk Management Committee - meeting 27 April 2020

AUTHOR: Executive Manager Governance and
Internal Control
REPORT DATE: 4 May 2020

The Committee had before it the report of the Audit and Risk Management Committee meeting held 27 April 2020.

RECOMMENDATION

That the report of the Audit and Risk Management Committee meeting held on 27 April 2020, be adopted.

Appendices:

1. [Audit and Risk Management Committee - 27 April 2020 - Business Paper](#)
2. [Audit and Risk Management Committee - 27 April 2020 - Business Paper - CONFIDENTIAL](#)



**REPORT
AUDIT AND RISK MANAGEMENT
COMMITTEE
27 APRIL 2020**

PRESENT:

Councillor A Jones, Mr J Walkom (Chairman and Independent Member) and Mr R Gillard (Independent Member).

ALSO IN ATTENDANCE:

The Executive Manager Governance and Internal Control, the Internal Auditor, the Director Organisational Performance, the Chief Financial Officer, the Chief Information Officer, the Statutory Reporting Accountant, Ms R Antolin (Audit Office) and Ms M Lee (Audit Office).

Mr J Walkom assumed chairmanship of the meeting

The proceedings of the meeting commenced at 11:00am electronically via Microsoft Teams.

WELCOME

AUD20/32 LEAVE OF ABSENCE (ID20/375)

Requests for leave of absence were received from Councillor Ben Shields and the Chief Executive Officer who were absent from the meeting due to business matters.

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

That such requests for leave of absence be accepted and Councillor Ben Shields and the Chief Executive Officer be granted leave of absence from this meeting.

CARRIED

AUD20/33 DECLARATION OF INTEREST (ID20/376)

No conflicts of interest were declared.

AUD20/34 REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE - MEETING 18 NOVEMBER 2019 (ID20/377)

The Committee had before it the report of the Audit and Risk Management Committee meeting held 18 November 2019.

Moved by Mr R Gillard and seconded by Councillor A Jones

RECOMMENDATION

1. That the report of the Audit and Risk Management Committee meeting held 18 November 2020 be amended to record that Mr J Walkom was appointed Chairman of the Committee by Council, not elected to chair at the meeting.
2. That the report of the Audit and Risk Management Committee meeting held on 18 November 2019, as amended, be adopted.

CARRIED

FINANCIAL STATEMENTS/EXTERNAL AUDIT REPORT

AUD20/35 FINAL MANAGEMENT LETTER FOR THE 2018/2019 FINANCIAL STATEMENTS (ID20/27)

The Committee had before it the report dated 28 January 2020 from the Chief Financial Officer regarding Final Management Letter for the 2018/2019 Financial Statements.

Moved by Mr R Gillard and seconded by Mr J Walkom

RECOMMENDATION

That the information contained within the report of the Chief Financial Officer dated 28 January 2020, be noted.

CARRIED

AUD20/36 ANNUAL ENGAGEMENT PLAN FOR AUDIT OF DUBBO REGIONAL COUNCIL'S FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 2020 (ID20/373)

The Committee had before it the report dated 22 April 2020 from the Executive Manager Governance and Internal Control regarding Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020.

Moved by Councillor A Jones and seconded by Mr J Walkom

RECOMMENDATION

That the Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020, be noted.

CARRIED

**AUD20/37 NSW AUDITOR-GENERAL'S REPORT ON LOCAL GOVERNMENT 2019
(ID20/322)**

The Committee had before it the report dated 9 April 2020 from the Chief Financial Officer regarding NSW Auditor-General's Report on Local Government 2019.

Moved by Mr R Gillard and seconded by Councillor A Jones

RECOMMENDATION

That the NSW Auditor-General's Report on Local Government 2019, as appended to the report of the Chief Financial Officer dated 9 April 2020, be noted.

CARRIED

INTERNAL AUDIT

**AUD20/38 AUDIT AND RISK MANAGEMENT COMMITTEE ACTION LIST (GENERAL ITEMS)
(ID20/104)**

The Committee had before it the report dated 19 February 2020 from the Internal Auditor regarding Audit and Risk Management Committee Action List (General Items).

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

- 1. That the Audit and Risk Management Committee request feedback from the non-voting members of the Audit and Risk Management Committee on a similar basis to the survey completed by the voting members.**
- 2. That the Audit and Risk Management Committee request advice from management on the relative importance of the s94 recommendations contained within the report of the Internal Auditor dated 19 February 2020.**
- 3. That the information contained within the report of the Internal Auditor dated 19 February 2020, be noted.**

CARRIED

**AUD20/38a AUDIT AND RISK MANAGEMENT COMMITTEE ACTION LIST (CONFIDENTIAL
ITEMS) (ID20/105)**

The Committee had before it the report dated 19 February 2020 from the Internal Auditor regarding Audit and Risk Management Committee Action List (Confidential Items).

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

That the information within the confidential report of the Internal Auditor dated 19 February 2020, be noted

CARRIED

GENERAL BUSINESS

AUD20/39 COVID-19 RESPONSE (ID20/276)

The Committee had before it the report dated 30 March 2020 from the Internal Auditor regarding COVID-19 Response.

Moved by Mr J Walkom and seconded by Councillor A Jones

RECOMMENDATION

That the information contained within the report of the Internal Auditor dated 30 March 2020, be noted.

CARRIED

AUD20/40 RESULTS OF INFORMATION TECHNOLOGY DISASTER RECOVERY TEST (ID19/1585)

The Committee had before it the report dated 23 November 2019 from the Chief Information Officer regarding Results of Information Technology Disaster Recovery Test.

Moved by Mr R Gillard and seconded by Councillor A Jones

RECOMMENDATION

That the information contained within the report of the Chief Information Officer dated 23 November 2019, be noted.

CARRIED

The meeting closed at 12.46pm.

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CHAIRMAN



DUBBO REGIONAL
COUNCIL

**Report of the Audit and Risk
Management Committee - Meeting 18
November 2019**

AUTHOR: Executive Manager Governance and
Internal Control
REPORT DATE: 22 April 2020

The Committee had before it the report of the Audit and Risk Management Committee meeting held 18 November 2019.

RECOMMENDATION

That the report of the Audit and Risk Management Committee meeting held on 18 November 2019, be adopted.



**REPORT
AUDIT AND RISK MANAGEMENT
COMMITTEE
18 NOVEMBER 2019**

PRESENT:

Core Members (Voting):

Councillors A Jones, Mr J Walkom (Independent Member) and Mr R Gillard (Independent Member via teleconference).

Attendees (Non-Voting):

The Director Organisational Performance, the Chief Financial Officer, the Statutory Reporting Accountant, the Internal Auditor, R Antolin, A Green (Audit Office via teleconference) and Mr J Shanks (Luka Group).

Mr J Walkom assumed chairmanship of the meeting.

The proceedings of the meeting commenced at 11.00am.

WELCOME

AUD19/24 LEAVE OF ABSENCE (ID19/1550)

Requests for leave of absence were received from Councillor B Shields and the Chief Executive Officer who were absent from the meeting due to business matters.

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

That such requests for leave of absence be accepted and Councillor B Shields and the Chief Executive Officer be granted leave of absence from this meeting.

CARRIED

AUD19/25 DECLARATION OF INTEREST (ID19/1552)

No conflicts of interest were declared.

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/34

**AUD19/26 REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE- MEETING 2
SEPTEMBER 2019 (ID19/1551)**

The Committee had before it the report of the Audit and Risk Management Committee meeting held 2 September 2019.

Moved by Mr R Gillard and seconded by Councillor A Jones

RECOMMENDATION

That the report of the Audit and Risk Management Committee meeting held on 2 September 2019, be adopted.

CARRIED

**AUD19/27 PRESENTATION OF COUNCIL'S 2018/2019 FINANCIAL STATEMENTS
(ID19/1410)**

The Committee had before it the report dated 31 October 2019 from the Chief Financial Officer regarding Presentation of Council's 2018/2019 Financial Statements.

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

- 1. That the information provided in the report of the Chief Financial Officer regarding Council's 2019 Financial Statements, External Auditor's Report and Update be noted.**
- 2. That the financial statements for the year ended 30 June 2019 be accepted by the Council.**
- 3. That the Audit Reports for the General Purpose Financial Statements and the Audit Reports for the Special Purpose Financial Statements be tabled at the Ordinary Meeting of Council to be held on 25 November 2019.**

CARRIED

FINANCIAL STATEMENTS/EXTERNAL AUDIT REPORT

**AUD19/28 ANNUAL REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE FOR
THE YEAR ENDED DECEMBER 2018 (ID19/1407)**

The Committee had before it the report dated 9 October 2019 from the Internal Auditor regarding Annual Report of the Audit and Risk Management Committee for the year ended December 2018.

Moved by Mr J Walkom and seconded by Councillor A Jones

RECOMMENDATION

- 1. That the Annual Report of the Audit and Risk Management Committee for the year ended December 2018 as presented be noted.**

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/34

2. **That the attendance information be amended and that the reference to the appointment process for the external auditor be removed.**

CARRIED

INTERNAL AUDIT

AUD19/29 AUDIT AND RISK MANAGEMENT COMMITTEE ACTION LIST (ID19/1344)

The Committee had before it the report dated 12 September 2019 from the Internal Auditor regarding Audit and Risk Management Committee Action List.

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

That the information in the report of the Internal Auditor dated 12 September 2019 be noted.

CARRIED

**AUD19/29a AUDIT AND RISK MANAGEMENT COMMITTEE CONFIDENTIAL ACTION ITEMS
(ID19/1345)**

The Committee had before it the report dated 12 September 2019 from the Internal Auditor regarding Audit and Risk Management Committee Confidential Action Items.

Moved by Mr J Walkom and seconded by Councillor A Jones

RECOMMENDATION

That the information in the confidential report of the Internal Auditor dated 12 September 2019 be noted.

CARRIED

GENERAL BUSINESS

AUD19/30 THREE YEAR AUDIT PROGRAM (ID19/1293)

The Committee had before it the report dated 6 September 2019 from the Internal Auditor regarding Three Year Audit Program.

Moved by Mr R Gillard and seconded by Councillor A Jones

RECOMMENDATION

That the report of the Internal Auditor dated 6 September 2019 be noted and approve the Audit Program.

CARRIED

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/34

**AUD19/31 DISCUSSION PAPER ON RISK AND AUDIT RELEASED BY OFFICE OF LOCAL
GOVERNMENT (ID19/1361)**

The Committee had before it the report dated 19 September 2019 from the Internal Auditor regarding Discussion Paper on Risk and Audit released by Office of Local Government.

Moved by Councillor A Jones and seconded by Mr R Gillard

RECOMMENDATION

That Council formulate a submission to the Office of Local Government based on the advice in this paper and on advice provided by the Audit and Risk Management Committee.

CARRIED

The meeting closed at 12.00 pm.

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CHAIRMAN



DUBBO REGIONAL
COUNCIL

REPORT: Final Management Letter for the 2018/2019 Financial Statements

AUTHOR: Chief Financial Officer
REPORT DATE: 28 January 2020
TRIM REFERENCE: ID20/27

EXECUTIVE SUMMARY

As requested by the Audit Office, please find attached to this report as **Appendix 1**, the 2019 Final Audit Management Letter, together with Council's responses to the items raised.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the information contained within the report of the Chief Financial Officer dated 28 January 2020, be noted.

Michael Howlett
Chief Financial Officer

Appendices:

[1](#) Audit Office - Final Management Letter 2019

ED20/12822



Mr Michael McMahon
General Manager
Dubbo Regional Council
P O Box 81
Dubbo NSW 2830

Contact: Aaron Green
Phone no: 02 9275 7209
Our ref: D1929072/1807

17 January 2020

Dear Mr McMahon

**Management Letter on the Final Phase of the Audit
for the Year Ended 30 June 2019**

The final phase of our audit for the year ended 30 June 2019 is complete. This letter outlines:

- matters of governance interest we identified during the current audit
- unresolved matters identified during previous audits
- matters we are required to communicate under Australian Auditing Standards.

We planned and carried out my audit to obtain reasonable assurance the financial statements are free from material misstatement. Because our audit is not designed to identify all matters that may be of governance interest to you, there may be other matters that did not come to our attention.

A copy of the Management Letter has been sent to the Minister.

For each matter in this letter, we have included our observations, risk assessment and recommendations. The risk assessment is based on our understanding of your business. Management should make its own assessment of the risks to the organisation.

We have kept management informed of the issues included in this letter as they have arisen. A formal draft of this letter was provided on 16 December 2019. This letter includes management's formal responses, the person responsible for addressing the matter and the date by which this should be actioned.

As soon as practicable, we recommend you:

- assign responsibility for implementing the recommendations
- develop an action plan, including a timetable, to implement the recommendations
- nominate an individual or establish a committee to monitor and report on progress.

The Auditor-General may include items listed in this letter in the Report to Parliament. We will send you a draft of this report and ask for your comments before it is tabled in Parliament.

If you would like to discuss any of the matters raised in this letter, please contact me on 02 9275 7209
or Rochele Antolin on 02 9275 7141.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'A. Green', with a stylized flourish at the end.

Aaron Green
Assistant Auditor-General, Financial Audit Services

cc: Mr Ben Shields, Mayor
Mr John Walkom, Chair of the Audit and Risk Committee



Final management letter

for the year ended 30 June 2019

Dubbo Regional Council



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We have rated the risk of each issue as 'Extreme', 'High', 'Moderate' or 'Low' based on the likelihood of the risk occurring and the consequences if the risk does occur.

The risk assessment matrix used is consistent with the risk management framework in [TPP12-03](#) 'Risk Management Toolkit for the NSW Public Sector'.

This framework may be used as best practice for councils.

		CONSEQUENCE			
		Low	Medium	High	Very high
LIKELIHOOD	Almost certain	M	M	H	E
	Likely	L	M	H	H
	Possible	L	M	M	H
	Rare	L	L	M	M

The risk level is a combination of the consequences and likelihood. The position within the matrix corresponds to the risk levels below.

RISK LEVELS	MATRIX REFERENCE
Extreme:	E
High:	H
Moderate:	M
Low:	L

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For each issue identified, we have used the consequence and likelihood tables from [TPP12-03](#) to guide our assessment.

Consequence levels and descriptors

Consequence level	Consequence level description
Very high	<ul style="list-style-type: none"> Affects the ability of your entire entity to achieve its objectives and may require third party intervention; Arises from a fundamental systemic failure of governance practices and/or internal controls across the entity; or May result in an inability for the auditor to issue an audit opinion or issue an unqualified audit opinion.
High	<ul style="list-style-type: none"> Affects the ability of your entire entity to achieve its objectives and requires significant coordinated management effort at the executive level; Arises from a widespread failure of governance practices and/or internal controls affecting most parts of the entity; or May result in an inability for the auditor to issue an unqualified audit opinion.
Medium	<ul style="list-style-type: none"> Affects the ability of a single business unit in your entity to achieve its objectives but requires management effort from areas outside the business unit; or Arises from ineffective governance practices and/or internal controls affecting several parts of the entity.
Low	<ul style="list-style-type: none"> Affects the ability of a single business unit in your entity to achieve its objectives and can be managed within normal management practices; or Arises from isolated ineffective governance practices and/or internal controls affecting a small part of the entity.

Likelihood levels and descriptors

Likelihood level	Frequency	Probability
Almost certain	The event is expected to occur in most circumstances, and frequently during the year	More than 99 per cent
Likely	The event will probably occur once during the year	More than 20 per cent and up to 99 per cent
Possible	The event might occur at some time in the next five years	More than 1 per cent and up to 20 per cent
Rare	The event could occur in exceptional circumstances	Less than 1 per cent

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Summary of Issues

Issue	Detail	Likelihood	Consequence	Risk Assessment
1	Control weakness over manual journals (Partial Repeat Issue)	Possible	High	⊖ Moderate
2	Frequency of comprehensive revaluation and fair value assessments of infrastructure, property, plant and equipment (Repeat Issue)	Possible	Medium	⊖ Moderate
3	Capitalisation of direct capital and overhead costs	Possible	Medium	⊖ Moderate
4	Improvements to IPPE assets processes and data quality	Possible	Medium	⊖ Moderate
5	Lack of independent review in daily cash receipting	Likely	Low	⊕ Low
6	Daily Revenue Reports from some agencies are not sufficiently supported	Likely	Low	⊕ Low
7	Stale cheques (Repeat Issue)	Possible	Low	⊕ Low
8	Separate internal audit charter	Possible	Low	⊕ Low
9	Landfills rehabilitation provision	Possible	Low	⊕ Low

Appendix

[Review of Matters Raised in Prior Years](#)

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Issue 1: Control weakness over manual journals (Partial repeat)

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	High	Yes	Operational	Moderate

Observation

There is no system-enforced restriction in Civica Authority to ensure segregation of duties between preparer and poster of manual journals. There is also no requirement for manual journals to be reviewed and authorised by an independent officer prior to posting.

The Council has other processes in place such as month-end reconciliations, variance analysis, detailed review of profit and loss accounts and the requirement to attach supporting documents for each manual journal in the Council's records management system. However, these may not fully prevent a user from posting fictitious journals or an erroneous journal.

The system is not capable of generating an audit log of manual journals posted during the year, including details of preparers and reviewers. Therefore, there is no assurance that all manual journals have been reviewed.

Implications

Lack of segregation of duties when preparing and posting journals increases the risk of fraudulent or incorrect journals.

There is an increased risk that fraudulent or incorrect journals may not be identified as audit logs are not generated and reviewed.

Recommendation

Management should:

- consider implementing a system-enforced control/check on segregation of duties.
- ensure an independent review of audit logs and journal activity is performed and formally evidenced on a monthly basis throughout the year to ensure all journals prepared and posted by the same user are reviewed and signed off by a separate officer with appropriate authorisation.

The person responsible for downloading the audit logs and journal activity listing should be a person that does not have privileged user access.

Management Response

Agree to a certain extent

It has been raised with Civica the possibility to implement a system enforced control/check on segregation of duties for journal activity and they advised it is not part of their standard package

Dubbo Regional Council implemented a review process and audit log for journal activities. It was discussed and demonstrated to the Audit Office after finalization of the audit and the audit log of review/sign off procedure for journals is in place at Council.

Action complete

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	N/A

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Issue 2: Frequency of comprehensive revaluation and fair value assessments of infrastructure, property, plant and equipment

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Medium	No	Operational	Moderate

Observation

The Council's infrastructure, property, plant and equipment (IPPE) are subject to comprehensive valuation processes on a five-year cycle in accordance with the Local Government Code of Accounting Practice.

However, in the intervening years, the Council needs to formally document the fair value assessments of each asset class to ensure that the carrying value of IPPE are not materially different to fair value.

During the audit, we noted the Council did not perform comprehensive revaluation for the following IPPE asset classes that are due to be comprehensively revalued by 30 June 2019 or earlier:

Category:	Value:	Date of last revaluation:
Plant and equipment	\$29.7 million	30 June 2014
Office equipment	\$2.1 million	30 June 2014
Furniture and fittings	\$1.5 million	30 June 2014
Land improvements – non-depreciable	\$1.8 million	30 June 2010
Land improvements - depreciable	\$2.4 million	30 June 2008
Other structures	\$73.4 million	30 June 2013
Quarry assets	\$2.0 million	30 June 2014
Other assets	\$1.3 million	30 June 2007

Further, there was no formalised fair value assessment performed on other IPPE asset classes that were not due for a comprehensive revaluation at 30 June 2019. An annual assessment is required to determine whether there has been a significant movement in fair value.

Implications

There is a risk that the carrying amount of IPPE assets may not materially reflect fair value as required by Australian Accounting Standards.

Recommendation

We recommend that the Council:

- perform comprehensive revaluation of its IPPE on a five-year cycle
- formalise its annual assessment of whether there is any indication that an asset class is materially different from fair value at reporting date. If such indicators exist, then a comprehensive valuation may be required.

The valuation assessments should document the methodology, data used, estimates, judgements and the conclusion, and reviewed by management.

Management Response

Agree

Dubbo Regional Council is in the process of formalizing and documenting the cyclic revaluation schedule and the annual fair value assessment of other asset classes.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 3: Capitalisation of direct capital and overhead costs

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Medium	No	Operational	Moderate

Observation

Our testing of the Council's capitalisation of wages and materials and contracts noted that there was no formal policy to determine and calculate direct capital costs and overhead costs.

The capitalisation rates are based on blanket rates applied across projects. There has been no formal review or assessment of these capitalisation rates.

Implications

Without a formal policy, the process of capitalisation may be applied inconsistently and incorrectly resulting in a material misstatement.

Applying a single rate across all projects may not be an accurate reflection of capital works as projects can vary in size, nature and extent of work involved.

Recommendation

We recommend management:

- review and revise the basis of the capitalisation rates. If feasible, significant projects should have their own assessment of rates applied to accurately reflect the capital direct costs and overheads incurred.
- formally document the review process, frequency of review and the allocation rates within Council's policies and procedures.

Management Response

Agree

Dubbo Regional Council will review and revise the basis of the capitalisation rates and formally document the review process.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 4: Improvements to IPPE assets processes and data quality

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Medium	No	Operational	Moderate

Observation

- Our review of the Council's assets register identified the following observations:
- Bulk earthworks asset class was overstated by \$2.2 million due to duplicated assets.
 - Rural Fire Services (RFS) assets vested to and controlled by the Council with an estimated maximum value of \$2.2 million remain unrecorded or are unidentifiable in the asset register.
 - Depreciation expense was understated by \$0.6 million as the calculation did not capture all asset additions during the year.

Implications

Weaknesses in the assets accounting processes and data may result in material misstatement in the financial statements.

Recommendation

- Management should ensure:
- A formal process of continuously improving the assets data quality in the asset register is implemented. The process may incorporate data analysis to identify duplicate assets, missing assets, and assets with nil or unusual values. The results should be documented and approved. Any adjustments in the asset register should be reflected in the general ledger.
 - All RFS vested assets are recorded accurately and timely in the asset register.
 - There is sufficient description in the asset register for all assets to enable easy recognition when required
 - Depreciation calculation includes all depreciable assets in the asset register

Management Response

- Agree
- Dubbo Regional Council are currently:
- Developing a methodology for continuous improvement of the asset data quality, where outcomes are documented and reflected in the general ledger
 - Developing a process for accurate and timely recording of RFS vested assets into the asset register
 - Developing and implementing an asset description methodology
 - Reviewing asset recognition processes to ensure the depreciation calculation includes all depreciable assets.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 5: Lack of independent review in daily cash receipting

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Likely	Low	No	Operational	Low

Observation

During our review of the Council's daily cash receipting process, we noted there is no independent review of amounts uploaded into Civica Authority against source documents (e.g. BPAY, E-Services, NAB Transact and AusPost receipt reports). One staff member is responsible for downloading and uploading these reports which may be edited before upload.

Management is in the process of hiring a dedicated staff member responsible for reviews and audit checks.

Implications

The risk of fraud and misstatement due to error increases when a staff member performs the cash receipting process without review by an independent officer.

Recommendation

Management should ensure an independent officer reviews the uploaded amounts in Civica Authority against source documents.

Management Response

Agree

Council has now hired a dedicated staff member responsible for independent reviews of the uploaded amounts in Civica Authority against source documents.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 6: Daily Revenue Reports not sufficiently supported

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Likely	Low	No	Operational	Low

Observation

Audit noted that a few Council agencies (primarily, Theatre and Rainbow Cottage) do not have an appropriate level of reporting or sign-offs from two officers in their Daily Revenue Reports. Negative entry reports and full transaction listings are also not provided to support refunds.

Implications

The risk of misstatement due to fraud or error increases when agencies submit the Daily Revenue Report without review by an independent officer. There is also a risk that unauthorised refunds or errors in refunds could remain undetected without full negative transaction reports or full transaction reports provided by the agencies.

Recommendation

Management should re-enforce agencies to ensure:

- Appropriate level of reporting and independent sign off are evidenced in the Daily Revenue Report.
- Negative entry reports and full transaction listings are provided to support refunds.

Management Response

Agree

Management have reinforced agencies to ensure that there is an appropriate level of reporting and independent sign off and negative entry reports and full transitions listings are provided to support refunds.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 7: Stale cheques (Repeat Issue)

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Low	No	Operational	Low

Observation

The Council's bank reconciliation as at 30 June 2019 included 13 stale cheques that have been outstanding for more than 24 months totalling \$3,083.68.

Implications

Cash may be overstated and creditors may be understated.

Recommendation

Reconciling items in the bank reconciliation should be critically reviewed for their ongoing validity.

Management Response

Agree

Dubbo Regional Council are reviewing stale cheques to assess their ongoing validity. Letters have been sent to custodians of the cheques encouraging them to either bank the cheque or provide their bank account details so that payment can be made via electronic transfer

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Issue 8: Separate internal audit charter

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Low	No	Operational	Low

Observation

The Council does not have a separate internal audit charter specific to its operations and requirements. Instead it continues to use a combined charter used when the internal audit function was shared between Bathurst Regional Council, Orange City Council and the former Dubbo City Council.

Management advised that it is in the process of preparing a separate internal audit charter specific to the Council's operations and requirements. At 30 June 2019, this was still a work in process.

Implications

An outdated internal audit charter may not be relevant to the Council's current operations and requirements.

Recommendation

Management should develop a new internal audit charter relevant to the current requirements and operations of the Council.

Section 2 of the Internal Audit Guidelines issued under section 23A of the *Local Government Act 1993* has a sample charter which may be used by the Council as a guide.

Management Response

Agree
 The Office of Local Government has indicated it intends to completely re-write the requirements based on different source documents.
 It is Management's intention to revise the Charter within three months of the new legal framework being published

Person Responsible:	Date (to be) Actioned:
Peter Browne, Internal Auditor	2021

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Issue 9: Landfills rehabilitation provision

Likelihood	Consequence	Systemic Issue	Category	Risk Assessment
Possible	Low	No	Operational	Low

Observation

The provision for remediation of landfill sites did not include costs associated with post-closure monitoring and after-care.

The Council's obligations are expected to include costs over a period of more than 30 years as required by the conditions in the licence issued by the NSW Environment Protection Authority. The provision at 30 June 2019 was \$4.7 million.

Implications

There is a risk that the Council's provision for rehabilitation may be misstated and that is non-compliant with EPA requirements

Recommendation

Council should review the provision calculations and include the costs associated with post-closure monitoring and after-care.

Management Response

Agree

Council will review the provision calculations and include the costs associated with post-closure monitoring and after-care.

Person Responsible:	Date (to be) Actioned:
Michael Howlett, Chief Financial Officer	30 June 2020

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Appendix

Review of matters raised in prior year management letters

The issues in this appendix were raised in previous management letters but remain relevant in the current year. For each of these issues, we have determined:

- how management has addressed the issue in the current year
- what management still needs to do to address unresolved issues.

Prior Issues Raised	Risk Assessment	Assessment of Action Taken	Recommendation
Control weakness over manual journals	⊖ Moderate	Matter is partially addressed. Further issues noted this year.	Refer to Issue 1 .
System audit reports	⊖ Moderate	Changes to payroll and vendor master files are reviewed by separate staff members (who does not have master file access) on a periodic basis. Matter has been addressed by management.	Nil as matter addressed.
Fair value assessment of Infrastructure, property, plant and equipment	⊖ Moderate	Further issues noted this year.	Refer to Issue 2 .
Land under roads	⊖ Moderate	Management has updated the unit value of land under roads based on latest available values from the Valuer General of NSW and applied a discount factor on land under roads based on engloba method.	Nil as matter addressed
Planning or valuations and quality review processes.	⊖ Moderate	At 30 June 2019, the Council comprehensively revalued its roads and bulk earthworks assets in-house. The exercise was performed later in the year and therefore significant issues arising from the valuation could have been detected earlier. Management's quality review process of the methodology and revaluation data was not clearly evidenced in the progressive versions and the final report received by the audit team.	This is as an ongoing improvement point at the Council. We will review this in the next financial year.
Revaluation of infrastructure, property, plant and equipment	⊖ Moderate	Roads and bulk earthworks were comprehensively revalued in the current financial year. However, other asset classes due for comprehensive valuation based on a five-year cycle have not been revalued.	Refer to Issue 2 .



Prior Issues Raised	Risk Assessment	Assessment of Action Taken	Recommendation
Findings arising from the data collection for the Auditor-General's Report to Parliament for Local Government 2017– 18	Moderate	<ul style="list-style-type: none"> Asset management strategy has been developed . Asset management plans remains outdated . Lack of legislative compliance policy. Risk register has been reviewed . Formal contract management policy and procurement procedures manual are still being improved . Updating of policies and procedures are still ongoing. Data integrity of spreadsheets are still ongoing . Further issues have been noted for the IT service level agreement this year. The policy and procedure for the removal of terminated staff has been addressed by Management. IT policies and procedures review is ongoing. Further issues have been noted on the lack of audit logs of privileged user activities. Further issues are noted in to communicating emerging IT risks and issues to senior management this year . Further issues are noted with password policy and minimum length issues this year. 	<ul style="list-style-type: none"> Nil as matter is addressed . Refer to issue 4 in 2019 interim management letter. Refer to issue 2 in interim management letter. Nil as matter is addressed . Matter is ongoing and will be reviewed in the next financial year. Refer to issue 4 in 2019 interim management letter. Nil as matter is addressed. Refer to issue 12 in 2019 interim management letter. Nil as matter is addressed . Nil as matter is ongoing. Refer to issue 7 in 2019 interim management letter. Refer to issue 9 in 2019 interim management letter. Refer to issue 10 in 2019 interim management letter.
Stale cheques	Low	Further issues noted this year	Refer to Issue 7 .
Land held for resale	Low	No issues noted this year.	Nil as matter addressed

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Prior Issues Raised	Risk Assessment	Assessment of Action Taken	Recommendation
Financial reporting procedures	Low	Management is continuously improving their financial reporting procedures. During the year, we noted some reports and reconciliations did not have evidence of review by an independent officer.	This is as an ongoing improvement point at the Council. We will review this in the next financial year.



REPORT: Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020

AUTHOR: Executive Manager Governance and
Internal Control
REPORT DATE: 22 April 2020
TRIM REFERENCE: ID20/373

EXECUTIVE SUMMARY

Attached is the Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020, which will be presented to the meeting by the NSW Audit Office.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020, be noted.

Abbey Rouse

Executive Manager Governance and Internal Control

Appendices:

- [1](#) Annual Engagement Plan for Audit of Dubbo Regional Council's Financial Statements for Year Ending 30 June 2020

APPENDIX NO: 1 - ANNUAL ENGAGEMENT PLAN FOR AUDIT OF DUBBO
REGIONAL COUNCIL'S FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE
2020

ITEM NO: AUD20/36



Mr Michael McMahon
Chief Executive Officer
Dubbo Regional Council
PO Box 81
DUBBO NSW 2830

Contact: Min Lee
Phone no: 02 9275 7151
Our ref: D2002732/1807

9 March 2020

Dear Mr McMahon

**Audit of the Dubbo Regional Council
for the year ending 30 June 2020**

Attached is the Annual Engagement Plan (AEP) for the audit of the Dubbo Regional Council's financial statements for the year ending 30 June 2020. The AEP reflects conditions unique to this engagement. You will find the standard Terms of Engagement on the Audit Office website at <https://www.audit.nsw.gov.au/our-stakeholders/local-government>.

If you would like to discuss the AEP, please call me on 02 9275 7151 or Rochele Antolin on 02 9275 7141. The AEP will be presented to the next Audit and Risk Management Committee meeting.

This AEP is not intended for publication. It may not be distributed to persons other than those who will sign the Statement by Councillors and Management made pursuant to section 413(2)(c) of the *Local Government Act 1993* or others you determine to be charged with governance of the Council.

Please detach, sign and return the enclosed '[Acknowledgement of Terms](#)'.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MML'.

Min Lee
A/Director, Financial Audit

cc: Cr Ben Shields, Mayor
Mr John Walkom, Chair of the Audit and Risk Management Committee

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7100 | f 02 9275 7200 | mail@audit.nsw.gov.au | audit.nsw.gov.au

**APPENDIX NO: 1 - ANNUAL ENGAGEMENT PLAN FOR AUDIT OF DUBBO
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ACKNOWLEDGEMENT OF TERMS

Audit of the Dubbo Regional Council

I confirm the information in the Annual Engagement Plan and [Terms of Engagement](#) accords with my understanding of the arrangements for the assurance services in respect of:

- the general purpose financial statements of Dubbo Regional Council
- the special purpose financial statements of Dubbo Regional Council's declared business activities
- Special Schedule 'Permissible income for general rates'
- Application for Payment of Pensioner Concession Subsidy
- Chief Executive Officer's Financial Statement for the Roads to Recovery Program under Part 8 of the *National Land Transport Act 2014*

I acknowledge management's responsibilities as outlined in these documents on behalf of Dubbo Regional Council:

Signed: _____

Name: _____

Title: _____

Date: _____

The purchase order number for the total estimated audit fee is:

Purchase Order Number: _____

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Annual Engagement Plan

for the year ending 30 June 2020

Dubbo Regional Council



FINANCIAL AUDIT

INSIGHTS FOR BETTER GOVERNMENT

APPENDIX NO: 1 - ANNUAL ENGAGEMENT PLAN FOR AUDIT OF DUBBO
REGIONAL COUNCIL'S FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE
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ITEM NO: AUD20/36

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1. SCOPE

This Annual Engagement Plan (AEP) contains important information about this year's audit.

The scope of our audit comprises:

- audit of the Council's General Purpose Financial Report, issuing:
 - an Independent Auditor's Report on the general purpose financial statements in accordance with section 417 of the *Local Government Act 1993* (LG Act)
 - a report on the conduct of the audit in accordance with section 417(3) of the LG Act
- an Independent Auditor's Report on the special purpose financial statements for all business activities declared by the Council in accordance with section 413(2) of the LG Act
- an Independent Auditor's Report on the Special Schedule 'Permissible income for general rates' in accordance with section 413(2) of the LG Act
- Independent Auditor's Report(s) for the engagements listed under section [6] Other engagements

Special purpose reporting framework

The Council will prepare the SPFS, mentioned in the scope above, using frameworks prescribed by the Local Government Code of Accounting Practice and Financial Reporting (the Code). Management's disclosures will alert users that the SPFS are not prepared in accordance with all standards within the Australian Accounting Standards framework.

The audit team's objective is to express an opinion on whether these SPFS are prepared in accordance with the requirements of the Code, solely for the purposes of reporting to the Office of Local Government (OLG). As a result, the Independent Auditor's Reports will include a 'Basis of Accounting' paragraph identifying that the SPFS may not be suitable for another purpose.

2. KEY ISSUES

Audit issue or risk	Exposure	Audit response
New accounting standards		
<p>The following new accounting standards issued by the Australian Accounting Standards Board became effective for reporting periods beginning on or after 1 January 2019:</p> <ul style="list-style-type: none"> • AASB 15 'Revenue from Contracts with Customers' • AASB 16 'Leases' • AASB 1058 'Income of Not for Profit Entities'. <p>AASB 1059 'Service Concession Arrangements: Grantors' also became effective for reporting periods beginning on or after 1 January 2020.</p>	<p>Not being sufficiently prepared to apply the new accounting standards in the 2019–20 financial statements, including having the necessary comparative information, may result in material misstatement.</p>	<p>We will review the 2019–20 financial statements for the application of AASB 15, 16, 1058 and 1059 to ensure the:</p> <ul style="list-style-type: none"> • recognition and measurement requirements have been considered across all income streams and lease agreements/service contracts • financial statements include required disclosures, including comparatives.

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Audit issue or risk	Exposure	Audit response
<p>Significant preparation is required by management to apply these standards and ensure the 2019–20 financial statements materially comply with the requirements.</p> <p>Further details on the requirements of these new standards are in Appendix two</p>	<p>Asset valuations are inherently complex and susceptible to misstatement. There is a risk that the carrying values of IPPE and investment property may not reflect fair value as required by relevant Australian Accounting Standards.</p>	<p>For assets that are comprehensive revalued, we will assess:</p> <ul style="list-style-type: none"> the methodology used to comply with the Australian Accounting Standards management's process for determining and agreeing fair value of assets management's process to assess the assets' condition the reasonableness of useful lives and depreciation the internal or external expert's reports, including the qualifications of the expert the appropriateness of assumptions and inputs the completeness and accuracy of data used in the valuation the adjustments made to the fixed assets register and general ledger the adequacy of disclosures in the financial statements. <p>For asset classes that are subject to a fair value assessment, we will:</p> <ul style="list-style-type: none"> review management's annual assessment for reasonableness consider recent events and relevant externally available information (such as indices) when assessing whether assets' carrying amounts materially reflect fair value.
Fair value of Council's infrastructure, property, plant and equipment (IPPE) and investment property		
<p>In 2019–2020, the Council will conduct:</p> <ul style="list-style-type: none"> a comprehensive revaluation of its stormwater drainage and airport runways a fair value assessment (i.e. desktop valuation) of its other IPPE asset classes. <p>The desktop valuation may involve reviewing relevant indices, useful lives and impairment that may indicate these assets are not at fair value and therefore an earlier comprehensive revaluation is required.</p> <p>Comprehensive and desktop valuation results, along with significant judgements and assumptions, should be documented.</p> <p>In 2018–19, we noted that the Council did not:</p> <ul style="list-style-type: none"> perform comprehensive revaluation for several asset classes that were due for a full revaluation and formalise its fair value assessment on other IPPE asset classes where comprehensive valuation was not required. <p>We reported such findings in the 2019 final management letter. We will examine management's response to these findings in this year's audit.</p>		

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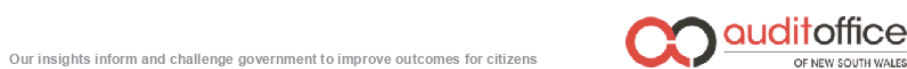
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Audit issue or risk	Exposure	Audit response
Information technology general controls		
<p>Australian Auditing Standards require the auditor to understand the Council's control activities and obtain an understanding of how it has responded to risks arising from Information Technology (IT).</p> <p>Last year's audit identified several weaknesses in the IT control environment which were reported in the 2019 interim management letter. We will examine the Council's responses to such IT findings.</p>	<p>Weaknesses in the IT control environment may lead to:</p> <ul style="list-style-type: none"> weakened segregation of duties where staff gain access privileges beyond those required for their role unauthorised access inaccurate and/or invalid transactions and data produced by systems inappropriate/unauthorised changes to programs inability to recover from incident or disaster impacting IT operation inability of the audit team to place reliance on system controls and / or data / reports generated from business systems. This may require the audit team to perform additional procedures that may not be within the normal scope of the audit. 	<p>For all systems relevant to financial reporting, we will:</p> <ul style="list-style-type: none"> update our understanding of the IT general controls and IT dependencies and identify related risks relevant to our audit approach understand, evaluate and, where appropriate, validate the IT general controls management has implemented to address these risks. <p>We will look at the following aspects of the IT control environment:</p> <ul style="list-style-type: none"> IT risk management policy framework user access provisioning and removal periodic user access review monitoring of privileged user accounts' activities use of unique user IDs password configuration system change testing and approvals segregation between developer and implementer of system development/change system monitoring/incident management and data recovery.
Developer contributions		
<p>Each year, the Council receives significant developer contributions both in the form of cash and physical assets.</p> <p>Council's planning approvals for urban re-development require developers to contribute to, or provide for, public open space areas including footpaths, channelling and roads.</p> <p>During 2018–19, the Council received \$5.4 million of developer contributions.</p>	<p>The recording of developer contributions is inherently complex because of:</p> <ul style="list-style-type: none"> uncertainty as to when control passes to the Council (and therefore when the Council should record an asset) the need to measure the contribution at its fair value money not being spent on eligible projects legislative requirements. 	<p>We will:</p> <ul style="list-style-type: none"> sample test developer contributions received during the year to confirm they were correctly calculated sample test funds expended to confirm they were used for an allowable purpose review systems for capturing and recording developer and other contributions accurately in a timely manner perform cut-off testing to identify any material unrecorded non-cash contributions.

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Audit issue or risk	Exposure	Audit response
Capital projects		
<p>The Council has a significant capital works program for 2019–20. These include the following:</p> <ul style="list-style-type: none"> • Airport upgrade • Wellington Caves Visitor Experience centre • Wiradjuri Cultural Centre • Old Dubbo Gaol Plaza • Underground water supply <p>There is an expectation from a broad range of stakeholders that the Council will deliver its capital works program in a timely manner and within budget.</p>	<p>Large capital works programs create heightened financial reporting risks, such as:</p> <ul style="list-style-type: none"> • not correctly classifying costs between expenses and capital • not capitalising completed assets on a timely basis to the asset register • not adequately componentising capital costs into separate, identifiable assets in the asset register • not removing replaced assets from the asset register • not disclosing all capital commitments • not disclosing and/or recognising any obligations arising from contractual disputes • not recognising funding contributions in the correct period. <p>These risks can result in significant financial reporting misstatements.</p>	<p>For a sample of projects, we will:</p> <ul style="list-style-type: none"> • review how costs are classified between expenses and assets • review the Council's componentisation of project costs into separate assets • review the capitalisation of overhead costs • examine the timeliness of asset additions to the asset register • ensure replaced assets are removed from the asset register • ensure financial statements include all relevant disclosures.
Grant income		
<p>It is estimated Council will receive significant amount of grant funding during 2019–20, which represents a significant portion of Council's income.</p> <p>During 2018–19, the Council received \$44.5 million of grant revenue (excluding contributions) which accounted for 24 per cent of total income from continuing operations.</p>	<p>For the recognition of grant income, the risks to the Council include:</p> <ul style="list-style-type: none"> • incorrectly classifying the grant • unexpended grant funding not correctly treated • funding not expended as per funding agreement • not recognising grant income in the correct accounting period. <p>These risks can result in financial reporting misstatements.</p>	<p>For a sample of grants, we will assess:</p> <ul style="list-style-type: none"> • whether timing and amount of revenue recognition is appropriate • reasonableness of disclosures including the split between capital and operating grants • appropriateness of spending based on terms of the grant.

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Audit issue or risk	Exposure	Audit response
Rehabilitation provisions		
<p>The Council is responsible for rehabilitating closed and operating landfill sites.</p> <p>The rehabilitation obligations for future years were estimated at \$4.7 million at 30 June 2019. The provision for remediation of landfill sites did not include costs associated with post-closure monitoring and after-care.</p> <p>The Council's obligations are expected to include costs over a period of more than 30 years as required by the conditions in the licence issued by the NSW Environment Protection Authority.</p> <p>Management will reassess the rehabilitation provision at 30 June 2020.</p>	<p>Changes in cost assumptions, judgements, long term interest rates and extent of rehabilitation completed will have an impact on the value of the provision for rehabilitation.</p>	<p>We will:</p> <ul style="list-style-type: none"> continue to assess the assumptions, judgements and estimates used in determining the provision, including costs associated with post-closure monitoring check the accuracy and completeness of the inputs test compliance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.

The significance of the issues and risks may change and new developments may emerge during the audit. We will inform you of significant new matters as they arise and the likely impact on the audit.

3. AUDIT APPROACH

Audit approach for key business and accounting processes

The audit approach is developed based on our understanding of the issues, new developments and key risks that may impact the financial statements. We have obtained an understanding of the Council's business and accounting processes and internal controls relevant to the financial statements to help us identify risks that may impact the financial statements.

[Appendix one](#) details our observations on the business and accounting processes relevant to the financial statements and our planned audit approach. We will inform you of significant matters that impact the audit as they are identified.

Your feedback on the planned audit approach is welcomed.

Follow up of issues identified in the previous audit

The audit team will examine, update and report on the status of issues raised in last year's Engagement Closing Report and Management Letters.

4. ENGAGEMENT COMMUNICATIONS

Communications to 'Those Charged with Governance'

Senior members of the audit team will attend relevant Council and Audit and Risk Management Committee meetings and brief those charged with governance on audit progress, identified issues and their resolution.

We will liaise with management and those charged with governance to determine the meetings we will attend.

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We have identified those charged with governance for the Council as:

- the Chief Executive Officer who will receive our Engagement Closing Report, identifying audit findings, and the type of opinion we anticipate issuing prior to signing the financial statements. The Chief Executive Officer will also receive the Management Letter containing detailed explanations of significant matters, governance matters, significant weaknesses and recommendations for improvement identified in the current audit
- the Mayor, who will receive the Independent Auditor's Report for the general purpose financial statements and special purpose financial statements and the Report on the Conduct of the Audit. The Mayor will also receive copies of the Engagement Closing Report and Management Letter.
- The Audit and Risk Management Committee will receive copies of the Engagement Closing Report and Management Letter.

Please advise the audit team if additional persons charged with governance should be included in these communications. The [Terms of Engagement](#) contains more information on the Audit Office's communication obligations.

5. ENGAGEMENT TIMETABLE

General purpose and special purpose financial statements

The engagement timetable, designed to achieve statutory financial reporting requirements, has been discussed and agreed with Michael Howlett, Chief Financial Officer.

The Engagement Information Request accompanies this AEP with dates agreed with management to deliver the information required for the audit. Whilst we make every effort to identify all information requirements in the Engagement Information Request, we may need to request further information during the audit.

Event	Date(s)
• Audit team emails Engagement Information Request to Michael Howlett	6 March 2020
• Audit team attends Audit and Risk Management Committee meeting to present the AEP	13 March 2020
• Audit team starts audit planning and interim audit	13 April 2020
• Audit team starts early close procedures on the valuation of IPPE and review of application of AASB 16, 15, 1058 and proforma accounts	22 June 2020
• Audit Office issues management letter detailing issues from the interim audit	By 31 July 2020
• Audit and Risk Management Committee review the financial statements for audit	4 September 2020
• Council approves financial statements for referral to the Audit Office and the Mayor, a Councillor, the Chief Executive Officer and the Responsible Accounting Officer sign the statement	11 September 2020
• The audit team may suggest the council reapprove the financial statements and re-sign the statement when the final statements differ to those originally presented for audit, or where substantial time has elapsed	
• Council gives financial statements and supporting working papers listed in the Engagement Information Request to the audit team for the: <ul style="list-style-type: none"> - general purpose financial statements - special purpose financial statements (declared business activities and Special Schedule 'Permissible income for general rates') 	11 September 2020
• Audit team starts audit of financial statements	21 September 2020
• Audit clearance meeting	9 October 2020

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Event	Date(s)
• Audit Office issues Engagement Closing Report	12 October 2020
• Audit team attends Audit and Risk Management Committee meeting to present the Engagement Closing Report	15 October 2020
• Council signs and gives Management Representation Letter to audit team (sample on the Audit Office website: https://www.audit.nsw.gov.au/our-stakeholders/local-government)	27 October 2020
• Council reapproves financial statements for lodgement to OLG and for public exhibition, and the Mayor, a Councillor, the Chief Executive Officer and the Responsible Accounting Officer resign the statement	27 October 2020
• Audit Office issues to the Council and to the Secretary of the Department of Planning, Industry and Environment (the Department), in accordance with section 417 of the LG Act the: <ul style="list-style-type: none"> - Independent Auditor's Report on the general purpose financial statements - Report on the Conduct of the Audit 	28 October 2020
• Audit Office issues Independent Auditor's Report on the special purpose financial statements for the Council's declared business activities and Special Schedule 'Permissible income for general rates' to Council and the Secretary of the Department	28 October 2020
• Audit Office reports any identified significant issues to the Minister in accordance with section 426 of the LG Act	28 October 2020
• Council gives the audit team final version of draft Annual Report to review for consistency with the financial statements	29 October 2020 or as soon as available
• Council presents audited financial statements and the Independent Auditor's Reports at the Council meeting	29 October 2020
• Audit Office issues final Management Letter	By November 2020

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Other audits and acquittals

The audit timetable has been discussed and agreed with Michael Howlett, Chief Financial Officer.

The Engagement Information Request will detail workpapers and other supporting documentation needed for timely completion of the audit.

Event	Date(s)
Application for Payment of Pensioner Concession Subsidy	
• Council gives the Application and supporting workpapers listed in Engagement Information Request to the audit team	11 September 2020
• Audit team starts audit of the Application	21 September 2020
• Council signs and gives Management Representation Letter to audit team (sample on the Audit Office website: https://www.audit.nsw.gov.au/our-stakeholders/local-government)	30 September 2020
• Audit Office signs the Independent Audit Report	1 October 2020
Roads to Recovery Program	
• Council gives the Statement and supporting workpapers listed in Engagement Information Request to the audit team	11 September 2020
• Audit team starts audit of the Statement	21 September 2020
• Council signs and gives Management Representation Letter to audit team (sample on the Audit Office website: https://www.audit.nsw.gov.au/our-stakeholders/local-government)	27 October 2020
• Audit Office signs the Independent Audit Report	28 October 2020

6. OTHER ENGAGEMENTS

Application for Payment of Pensioner Concession Subsidy and Roads to Recovery Program

The Audit Office [website](#) provides additional information on the terms and scope of the audits for the Application for Payment of Pensioner Concession Subsidy and the Roads to Recovery Program.

Additional Engagements

Please advise the audit team if the Council wishes to engage the Audit Office to perform additional audits, reviews or acquittals. Separate engagement letters will be issued to confirm the terms, scope, key issues and fee arrangements for requests received after the issue of this AEP.

7. ENGAGEMENT FEES

	2020	2019	Increase/(decrease)	
	\$	\$	\$	%
Estimated audit fee*	124,000	120,000	4,000	3.3
Recovery of additional hours	–	22,000	(22,000)	(100.0)
Total audit fee (excluding GST)	124,000	142,000	(18,000)	(12.7)
Total audit hours	954	1,120	(166)	(14.8)
Average hourly rate	130	127	3	2.4

* Our estimated audit fee does not include an estimate for one-off costs incurred in testing the first-time application of AASB 15 'Revenue from Contracts with Customers', AASB 16 'Leases' and

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AASB 1058 'Income of Not-for-Profit Entities'. Most of these costs will be incurred for reviewing and assessing the individual contracts to determine if they are accounted for appropriately under the new standards. We plan to charge the Council the actual costs of testing the implementation of the new standards. We will inform management once the actual cost is known.

The 2020 estimated audit fee includes:

- Independent Auditors' Reports in accordance with section 417 of the LG Act:
 - a report on the general purpose financial statements
 - a report on the conduct of the audit
- Independent Auditor's Reports on the special purpose financial statements of Council's declared business activities and Special Schedule 'Permissible income for general rates'
- Independent Auditor's Report on the Application for Payment of Pensioner Concession Subsidy
- Independent Auditor's Report on Chief Executive Officer's Financial Statement for the Roads to Recovery Program under Part 8 of the *National Land Transport Act 2014*.
- Revaluation of the Council's stormwater drainage and airport runways.

The estimated audit fee is based on estimated hours, the audit team structure and charge-out rates, known changes in the Council's operations and audit requirements.

The fee may change if matters, not known at the date of this plan, emerge during the audit and significantly change the estimated audit cost. Proposals for additional fees will be discussed with management.

The Audit Office has published its 'pricing approach' to provide transparency about its pricing model and hourly charge-out rates for each role. The Audit Office performs multi-layered benchmarking to promote accountability for its use of public resources. For more information, please refer to the publication on the Audit Office's [website](#).

The Council will be invoiced monthly as costs are incurred. The Audit Office's payment terms are 14 days.

Please provide the Audit Office with a purchase order for the total estimated audit fee.

8. ENGAGEMENT TEAM

Engagement team

The proposed audit team for this engagement is:

Engagement Controller:	Min Lee A/Director, Financial Audit 02 9275 7151 Email: min.lee@audit.nsw.gov.au
Engagement Manager:	Rochele Antolin Audit Leader, Financial Audit 02 9275 7141 Email: rochele.antolin@audit.nsw.gov.au

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Director, IS Audit:

Gerry Coy
Director, Information Systems Audit
02 9275 7134
Email: gerry.coy@audit.nsw.gov.au

Audit Leader, IS Audit:

Jonathan Lam
Audit Leader, Information Systems Audit
02 9275 7282
Email: jonathan.lam@audit.nsw.gov.au

Auditor independence

We confirm, to the best of our knowledge and belief, the proposed audit team meets the independence requirements of the Australian Auditing Standards, and other relevant ethical requirements relating to the audit of the financial statements. In conducting the audit of the financial statements, should any contraventions to independence arise you will be notified of these on a timely basis.

Ethical standards have specific restrictions on employment relationships between an auditee and members of its current or previous audit teams. Please discuss the prospective employment of a current or former audit team member before starting formal employment negotiations with them.

9. FINANCIAL REPORTING MATTERS

Appendix two provides an overview of new accounting standards effective for the first time in the current and next financial year that are likely to have a significant impact on the Council's financial statements. The transition to and implementation of these standards will take a significant amount of time and effort. It is important for management to assess the impact of these standards on the Council's financial statements and adequately plan for their implementation.

10. REPORTING TO PARLIAMENT

The Auditor-General's Report to Parliament (the Report) will report on trends and provide an independent assessment of the sector focusing on the following areas:

- the results of the council audits of the 2019–20 financial statements
- themes and key observations relating to the councils'
 - financial reporting
 - governance and internal controls
 - information technology
 - asset management
 - financial performance and sustainability.

We will advise of the specific topics the Auditor-General intends to comment on in the Report, the relevant performance data to be collected and the timetable for submitting the information to the audit team. The information reported may change depending on the matters identified during the audit. We will advise you if this occurs.

We may include commentary on specific councils with extreme or high risk issues reported in our management letters.

The Report may make recommendations for specific councils or the sector more generally.

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The draft Report commentary will be given to the Secretary of the Department and the Minister for Local Government for consideration. If there are specific comments about your Council, they will be given to Mr Michael McMahon, Chief Executive Officer, for consideration. The Audit Office would appreciate receiving your Council's specific comments, within five working days of receiving the draft commentary. Responses should only be provided where there is fundamental disagreement with the factual content of the Report or the Audit Office's interpretation of the data. This helps ensure the Report is not unduly delayed.

The draft Report needs to remain confidential during this process.

[Appendix three](#) provides details of recently tabled reports which may be relevant to the Council.

11. OTHER MATTERS

Workplace Health and Safety Legislation

Workplace health and safety (WHS) laws make the Council responsible for meeting legislated standards to ensure the health, safety and welfare for the audit team when they are at your premises.

It is the Council's responsibility to:

- provide the audit team with suitable accommodation and appropriate WHS induction
- implement effective health and safety management systems to manage any hazards and risks
- ensure the audit team is aware of and complies with special personal protective equipment requirements
- appropriately brief the audit team and issue them with the necessary personal protective equipment and training in its proper use.

Further details are provided in the [Terms of Engagement](#).

Matters covered elsewhere

Please read the AEP together with the standard [Terms of Engagement](#), which provides additional information on:

- the Auditor-General's responsibilities
- auditee resources
- engagement approach
- communication and reports
- submitting financial statements for audit
- materiality, risk and the inherent limitations of an audit
- provision of working papers
- representations
- access
- clearance meetings
- accommodation, facilities and staff amenity
- determination of fees for engagements.

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Publications

The Audit Office has the following useful publications on our website:

- '[Annual Work Program 2019–20](#)' explains how the Audit Office decides what to focus on and what we intend to cover in the next year. It also gives Parliament, the entities we audit and the broader community some certainty over future topics and the timing of our reports
- '[Professional Update](#)' published quarterly to help auditees and our staff keep abreast of key accounting, auditing and legislative developments in the NSW public sector, including pronouncements by professional standard setters and changes in the regulatory environment. To subscribe or access previous editions please visit our website at: <https://www.audit.nsw.gov.au/our-work/resources>
- '[Financial Reporting Issues and Developments](#)' for the local government sector detailing:
 - current issues and financial reporting developments that may impact the audit
 - accounting standards and pronouncements issued during the year that may impact the financial statements and/or annual report
- '[Local Government Pronouncements Guidance Note](#)' listing key reporting pronouncements issued by OLG.

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APPENDIX ONE – AUDIT APPROACH FOR KEY BUSINESS AND ACCOUNTING PROCESSES

The table below details our observations on the business and accounting processes relevant to the financial statements and our planned audit approach.

Business / accounting process	Observation of business / accounting process	Audit approach
Purchasing and payables	<p>The Council uses Civica Authority (Civica) to initiate, process and record purchases. It relies on automated and IT-dependent manual controls to ensure that all valid purchasing transactions are processed and accurately recorded in accordance with the Council's policies.</p> <p>We have identified the following risks:</p> <ul style="list-style-type: none"> • non-compliance with policies and procedures • incorrectly classifying transactions • ineffective procurement controls • fraud and error. 	<p>We will evaluate the design and implementation of relevant controls. This will include assessing management controls ensuring the Council's procurement policies are complied with. Our substantive audit procedures will be designed to address other identified risks.</p>
Payroll and related provisions	<p>The Council uses Civica to initiate, process and record payroll transactions. Management relies on automated and IT-dependent manual controls to ensure that all valid payroll transactions are processed and accurately recorded in accordance with the Council's policies.</p> <p>We have identified the following risks:</p> <ul style="list-style-type: none"> • non-compliance with policies and procedures • incorrectly estimating provisions and on-costs • ineffective payroll controls, including lack of segregation of duties • fraud and error. 	<p>We will evaluate the design and implementation of relevant controls. Our substantive audit procedures will be designed to address other identified risks.</p> <p>We will review the Council's calculation of LSL liabilities. Our review will focus on the key inputs, judgements and assumptions used in the calculations.</p>
Rates and annual charges and receivables	<p>The Council uses Civica to initiate, process and record its rates and annual charges transactions. Management relies on automated and IT-dependent manual controls to ensure that all valid rates and annual charges transactions are processed and accurately recorded in accordance with the Council's policies.</p> <p>We have identified the following risks:</p> <ul style="list-style-type: none"> • rates and annual charges are not calculated in accordance with the Council's resolution • inaccurate revenue recognition • fraudulent activities. 	<p>We will evaluate the design and implementation of relevant controls within the rates and annual charges process and perform substantive procedures to provide assurance that rates and annual charges are not materially misstated.</p>

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Business / accounting process	Observation of business / accounting process	Audit approach
User charges and fees and other revenue and receivables	The Council receives a range of user charges and fees (including aerodrome, caravan parks and regional livestock markets charges) and generates other revenue mainly from rental income, interest, parking and other fines.	We will address the presumed risk of fraud in revenue recognition by obtaining an understanding of key controls, reviewing revenue recognition policies and cut-off.
Grants and contributions and receivables	The Council receives Development Contributions under Section 94 of the <i>Environmental Planning and Assessment Act 1979</i> towards provision or improvement of amenities or services. These contributions are recognised as income upon physical receipt by the Council.	We will evaluate the design and implementation of relevant controls and test sample transactions to verify whether they have been accounted for under the relevant accounting standard.
Treasury (cash, investments and borrowings)	The Council holds cash on hand and cash in bank accounts. The Council's Treasury function ensures that returns from investing are maximised without risking the capital value We have identified the following risks: <ul style="list-style-type: none"> • uncleared reconciling items • incorrect classification between investments and cash equivalents • investing processes are not conducted in accordance with regulatory requirements and / or council policy • fraudulent activities 	We will evaluate the design and implementation of relevant controls within the Treasury process and perform substantive procedures to provide assurance that Treasury balances are fairly stated. We will also request bank confirmations to verify the balances held with external parties.
Infrastructure, property, plant and equipment (IPPE), depreciation and asset remediation	The Council uses Civica to initiate, process and record IPPE. IPPE is the largest balance appearing in the statement of financial position and depreciation expense is a material item impacting the Council's operating result. There are significant estimates and assumptions made in relation to fair valuation of assets, useful lives and depreciation expense. We have identified the following risks: <ul style="list-style-type: none"> • heightened risk of carrying values of IPPE being materially different from fair value. This could lead to the financial statements being materially misstated • changes in cost assumptions, judgements, long term interest rates and extent of rehabilitation completed will have an impact on the value of the provision for rehabilitation 	We will evaluate the design and implementation of relevant controls. Section two Key issues details the audit procedures we will perform over: <ul style="list-style-type: none"> • comprehensive revaluations of IPPE • management's assessment of the fair value of the Council's IPPE at 30 June 2020 • management's assessment of the rehabilitation provision at 30 June 2020. Our substantive audit procedures will be designed to address other identified risks.

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Business / accounting process	Observation of business / accounting process	Audit approach
	<ul style="list-style-type: none"> asset useful life assumptions not reflecting asset management practices resulting in inaccurate depreciation expense 	

Information Systems Audit

We will obtain an understanding of and, where applicable, test the design, implementation and operating effectiveness of controls in key financial systems. This provides assurance over the integrity of system reports and operations. The work on Information Technology General Controls (ITGCs) focuses on controls over the following domains:

- Access to Programs and Data - To ensure access to programs and data are granted to authorised individual and monitored for appropriateness.
- Computer Operations - To ensure financial transactions and data are processed and recoverable in the event of a disaster.
- Program Changes - To ensure changes to programs and related infrastructure components are requested, authorised, performed, tested and appropriately implemented.
- Program Development - To ensure system development, data migration and implementation follow a formal IT change methodology.

By integrating ITGC work with financial audit procedures, audit teams are better equipped to focus on key risks to the integrity of automated and IT-dependent controls for financial statement assertions.

This year, we will focus on the following systems:

- Civica Authority

APPENDIX TWO – FINANCIAL REPORTING DEVELOPMENTS

New accounting standards

AASB 15 'Revenue from Contracts with Customers'

AASB 15 introduces a new five-step model for recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 may impact the timing and amount of revenue recorded in councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 15 is effective for not for profit entities for financial years beginning on or after 1 January 2019. The Council will apply AASB 15 in its current year financial statements.

To effectively implement AASB 15, the Council will need to have:

- an understanding of the new requirements and authoritative implementation guidance published by the AASB
- adequately planned and prepared for its application, including training staff
- reviewed its current contracts with customers, including ensuring the contract register is complete
- prepared for increased disclosures in the financial statements
- assessed whether existing systems can capture key information requirements of the new standard and updated or implemented new systems where required
- considered the impact on reporting to stakeholders regarding the Council's financial position and performance
- provided proper guidance to the Audit and Risk Management Committee.

The Council will need to keep detailed working papers evidencing it has complied with the requirements of AASB 15, such as working papers to support:

- key decisions and judgements made, for example whether contracts are in the scope of AASB 15, identification of performance obligations, determination and allocation of the transaction price, timing of revenue recognition
- financial statement disclosures.

OLG has released:

- guidance on the financial reporting options councils must elect on transition to AASB 15. The guidance mandates:
 - that councils adopt the modified retrospective approach on transition
 - the practical expedients councils must/must not apply on transition
 - the ongoing options within AASB 15 that councils must/must not apply
- the following additional guidance material available via OLG's Objective Connect portal (<https://secure.objectiveconnect.com/login>) to further assist councils implement changes to the new Accounting Standards:
 - 'Analysis of Contracts – Financial Reporting' which examines and analyses a sample of revenue contracts and provides a conclusion based on the contract terms and conditions
 - 'Analysis of Revenue Contracts – Councils and NSW Government' which examines the Roads to Recovery Funding Conditions as an example of agreements between councils and NSW Government Departments or Agencies.

AASB 1058 'Income of Not-for-Profit Entities'

AASB 1058 provides guidance to help not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 may significantly impact the timing and amount of income recorded in councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

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AASB 1058 is effective for not-for-profit entities for financial years beginning on or after 1 January 2019. The Council will apply AASB 1058 in its current year financial statements.

Councils will need to consider AASB 1058 in conjunction with AASB 15 to determine how to record transactions.

To determine the applicable standard, the Council will need to have:

- an understanding of the new requirements, including training staff
- adequately planned and prepared for its application
- determined the fair value of assets provided to the Council on non-commercial terms (at significantly less than fair value)
- reviewed existing and new grant agreements
- assessed whether existing systems can capture key information requirements of the new standard and updated or implemented new systems where required
- considered the impact on reporting to stakeholders regarding the Council's financial position and performance
- provided proper guidance to the Audit and Risk Management Committee.

The Council will need to keep detailed working papers evidencing how it has complied with the requirements of AASB 1058, such as working papers to support:

- key decisions and judgements made, for example which standard each revenue stream should be recognised under, whether grant agreements have sufficiently specific performance obligations, the fair value of assets received on non-commercial terms, fair value of volunteer services
- financial statement disclosures.

OLG has released:

- guidance on the financial reporting options councils must elect on transition to AASB 1058. The guidance mandates:
 - that councils adopt the modified retrospective approach on transition
 - the practical expedients councils must/must not apply on transition
 - the ongoing options within AASB 1058 that councils must/must not apply
- the following additional guidance material available via OLG's Objective Connect portal (<https://secure.objectiveconnect.com/login>) to further assist councils implement changes to the new Accounting Standards:
 - 'Analysis of Contracts – Financial Reporting' which examines and analyses a sample of revenue contracts and provides a conclusion based on the contract terms and conditions
 - 'Analysis of Revenue Contracts – Councils and NSW Government' which examines the Roads to Recovery Funding Conditions as an example of agreements between councils and NSW Government Departments or Agencies.

AASB 16 'Leases'

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right of use (ROU) asset, with a corresponding liability. AASB 16 will result in more assets and liabilities being recorded in the Statement of Financial Position and change the timing and pattern of expenses recorded in the Income Statement.

AASB 16 is effective for financial years beginning on or after 1 January 2019. The Council will apply AASB 16 in its current year financial statements.

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To effectively implement AASB 16, the Council will need to have:

- an understanding of the new requirements, including training staff
- adequately planned and prepared for its application
- reviewed its current lease agreements and ensured its leases registers/database are complete
- assessed whether existing systems can capture key information requirements of the new standard and updated or implemented new systems where required
- considered the impact on reporting to stakeholders regarding the Council's financial position and performance
- provided proper guidance to the Audit and Risk Management Committee.

The Council will need to keep detailed working papers evidencing how it has complied with the requirements of AASB 16, such as working papers to support:

- key decisions and judgements made, for example whether contracts contain a lease, its assessment of whether the Council is reasonably certain to exercise lease options, discount rate, fair value of peppercorn leases
- financial statement disclosures.

OLG has released:

- guidance on the financial reporting options councils must elect on transition to AASB 16. The guidance mandates:
 - that councils adopt the modified retrospective approach on transition
 - the practical expedients councils must/must not apply on transition
 - the ongoing options within AASB 16 that councils must apply
- the following additional guidance material available via OLG's Objective Connect portal (<https://secure.objectiveconnect.com/login>) to further assist councils implement changes to the new Accounting Standards:
 - 'Analysis of Contracts – Financial Reporting' which examines and analyses a sample of lease contracts and provides a conclusion based on the contract terms and conditions
 - 'Analysis of example waste management agreements' which examines two agreements, noting assumptions, analysis and conclusions based on the agreement terms and conditions to help councils assess whether waste management agreements contain a lease.

AASB 1059 'Service Concession Arrangements: Grantors'

AASB 1059 provides guidance for public sector entities (grantors) who enter into service concession arrangements with private sector operators for the delivery of public services.

An arrangement within the scope of AASB 1059 typically involves a private sector operator designing, constructing or upgrading assets used to provide public services, and operating and maintaining those assets for a specified period of time (e.g. roads, prisons, hospitals and energy suppliers). In return, the private sector operator is compensated by the public sector entity.

AASB 1059 may result in councils recognising more service concession assets (SCAs) and liabilities in their financial statements. SCA and liabilities of service concession arrangements will be recognised earlier (when construction of the asset commences, rather than at its completion).

AASB 1059 is effective for councils for the 2020–21 financial year. The AASB deferred the effective date of AASB 1059 from 1 January 2019 to 1 January 2020 to assist stakeholders with their implementation efforts.

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To prepare for the changes, the Council will need to:

- understand the new requirements, including providing training for staff
- assess the terms and conditions of existing arrangements with private sector operators to assess whether they fall within the scope of AASB 1059 and meet the criteria for recognition as a SCA or whether they are a leasing or outsourcing arrangement
- develop an implementation plan to apply AASB 1059 if an arrangement falls within the scope of AASB 1059
- consider the impact on reporting to stakeholders regarding the Council's financial position and performance
- ensure proper guidance is provided to the Audit and Risk Management Committee.

The Council will need to keep detailed working papers evidencing how it has complied with the requirements of AASB 1059, such as working papers to support:

- key decisions and judgements made, for example whether the arrangement falls within the scope of AASB 1059, the fair value of the SCA at the inception of the arrangement, determining the asset and service components of the arrangement, pattern of revenue recognition under the grant of a right to the operator model
- financial statement disclosures.

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APPENDIX THREE – RECENTLY TABLED AUDITOR-GENERAL'S REPORTS TO PARLIAMENT

Each year the Auditor-General produces Financial Audit, Performance Audit and Special Reports to Parliament (collectively referred to as Reports). Recently tabled Reports which may be relevant to the Council include:

Name	Issued	Overview
Financial Audit		
Local Government 2018	28 February 2019	<p>This report focuses on key observations and findings from the 2017–18 financial audits of 135 councils in New South Wales and the 2016–17 audit of Bayside Council. The report also:</p> <ul style="list-style-type: none"> includes commentary on three performance audits published in 2018 provides insights into the effectiveness of controls and governance processes across the Local Government sector.
Internal Controls and Governance	6 November 2019	<p>This report analyses the internal controls and governance of 40 of the largest agencies in the NSW public sector for the year ended 30 June 2019. However, the matters covered in this report are relevant to all public sector entities.</p> <p>The report provides insights into the effectiveness of controls and governance processes in the NSW public sector by:</p> <ul style="list-style-type: none"> highlighting the potential risks posed by weaknesses in controls and governance processes helping agencies benchmark the adequacy of their processes against their peers focusing on new and emerging risks, and the internal controls and governance processes that might address those risks.
Performance Audit		
Workforce reform in three amalgamated councils	1 May 2019	<p>This report assesses whether of the Inner West Council, the Snowy Monaro and Queanbeyan-Palerang Regional Councils are effectively reforming their organisation structures to realise efficiency benefits from amalgamation and managing the impact on staff.</p>
Domestic waste management in Campbelltown City Council and Fairfield City Council	5 June 2019	<p>This audit assessed how effectively and economically Campbelltown City Council and Fairfield City Council are managing domestic kerbside waste collection, transportation and processing. In making this assessment, the audit examined whether:</p> <ul style="list-style-type: none"> Councils' activities lead to residents putting recyclable materials into correct recycling bins Councils have effective and economical arrangements to collect, transport and process domestic kerbside waste to maximise recycling rates and minimise costs Councils are increasing the domestic kerbside recycling rate and meeting their targets.

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Name	Issued	Overview
Development assessment: pre-lodgement and lodgement in Camden Council and Randwick City Council	20 June 2019	<p>This audit assessed the extent to which Camden and Randwick City Councils' 'pre-lodgement' and 'lodgement' stages align with the Department of Planning and Environment's 'Development Assessment Best Practice Guide' (the Guidance).</p> <p>The Guidance is designed to help councils to:</p> <ul style="list-style-type: none"> provide pre-lodgement advice to help applicants understand what they can do to facilitate expeditious processing of their development application accept, notify and refer development applications to support timely assessment and determination calculate, verify, invoice and collect development application fees effectively and on a timely basis.
Special Reviews		
Engagement of probity advisers and probity auditors	27 May 2019	<p>This report assessed whether Transport for NSW, the Department of Education and the Ministry of Health:</p> <ul style="list-style-type: none"> complied with the requirements of 'PBD-2013-05 Engagement of Probity Advisers and Probity Auditors' effectively ensured they achieved value for money when they used probity practitioners. <p>The Audit Office also surveyed 40 NSW Government agencies with the largest total expenditures (top 40 agencies) to get a cross sector view of their use of probity practitioners.</p>

A full list of our tabled Reports is available on the Audit Office [website](#).

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OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help parliament hold government accountable for its use of public resources.



Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

PHONE +61 2 9275 7100
FAX +61 2 9275 7200

mail@audit.nsw.gov.au

Office hours: 8.30am-5.00pm

audit.nsw.gov.au



**DUBBO REGIONAL
COUNCIL**

REPORT: NSW Auditor-General's Report on Local Government 2019

AUTHOR: Chief Financial Officer
REPORT DATE: 9 April 2020
TRIM REFERENCE: ID20/322

EXECUTIVE SUMMARY

The Auditor-General of NSW has recently released their report on Local Government 2019. This report outlines the findings of the Auditor-General while auditing financial statements of NSW councils at a high level, without including the specific findings of any council.

This report is provided for your information.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the NSW Auditor-General's Report on Local Government 2019, as appended to the report of the Chief Financial Officer dated 9 April 2020, be noted.

Michael Howlett
Chief Financial Officer

BACKGROUND

The Auditor-General of NSW has recently released the report on Local Government 2019. This is the third report to the Parliament on the audits of local government councils in New South Wales.

The report notes that unqualified audit opinions were issued on the 2018/2019 financial statements of 134 councils and 11 joint organisations. The opinion for one council was disclaimed and three audits were yet to be completed at the time of publication.

The report also highlights improvements the Auditor-General has seen in financial reporting and governance arrangements across councils. Fewer errors were identified. More councils have audit, risk and improvement committees and internal audit functions. Risk management practices, including fraud control systems, have also improved.

REPORT

The report provides the following insights for councils:

Strengthen the quality and timeliness of financial reporting

Councils should:

- Allocate sufficient time and resources to the financial reporting process. Refer to page 18 for better practice guidance.
- Have appropriate systems, processes and resources to implement the new accounting standards. Refer to page 20 for some key points to consider in the transition.

Improve governance and internal controls

Councils should:

- Ensure that audit recommendations in our management letters are addressed in a timely manner. High risk issues need to be prioritised and repeat issues from prior years resolved.
- Have an audit, risk and improvement committee, which is a mandatory requirement by March 2021. Early adoption is encouraged.
- Have an internal audit function to support a risk and compliance culture.
- Have a legislative compliance framework to capture and monitor compliance with key laws and regulations.
- Continue improving their fraud control systems.
- Have adequate processes and controls to ensure compliance with their gifts and benefits policy and the Model Code of Conduct.

AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020

AUD20/37

Strengthen IT controls and cyber security management

Councils should:

- Ensure key IT policies are formalised and regularly reviewed to ensure emerging risks are considered and policies are reflective of changes to the IT environment.
- Ensure IT risks are identified and appropriately managed.
- Improve user access management processes to ensure that information systems are secure and that there are adequate controls for making changes to information systems.
- Implement at least the basic governance and internal controls to manage risks associated with cyber security.

Improve asset management practices

Councils should:

- Regularly update asset registers, reconcile their asset registers with asset management systems and have suitable controls in place to ensure the integrity of manual spreadsheets.
- Start the asset valuation process earlier and ensure there is a clear plan to ensure valuations are managed and documented appropriately.
- Periodically reconcile asset registers to the Crown Land Information Database (CLID) and investigate any discrepancies in a timely manner.
- Review the methodology and assumptions in how they account for landfill sites.

Recommendation for the Department

The Office of Local Government within the Department of Planning, Industry and Environment should develop a cyber security policy by 30 June 2021 to ensure a consistent response to cyber security risks across councils.

SUMMARY

The Auditor-General notes these are very pleasing indicators of the gradual strengthening of governance and financial oversight of the local government sector. It should be acknowledged the investment councils have made in working with the Audit Office to improve consistency of practice and accountability generally.

It is noted that there is more work to do, particularly to prepare for new accounting standards and to strengthen controls over information technology and cyber security management. Asset management practices can also be improved. This report provided some guidance to council on these matters and the Auditor-General will continue to partner with the Office of Local Government in the Department of Planning, Industry and Environment to support good practice.

Appendices:

- [1](#) NSW Auditor-General's Report on Local Government 2019



FINANCIAL AUDIT

5 MARCH 2020

Report on Local Government 2019

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT



THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

We conduct financial or 'attest' audits of State public sector and local government entities' financial statements. We also audit the Total State Sector Accounts, a consolidation of all agencies' accounts.

Financial audits are designed to add credibility to financial statements, enhancing their value to end-users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to entities and reports periodically to parliament. In combination these reports give opinions on the truth and fairness of financial statements, and comment on entity compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These examine whether an entity is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an entity's operations, or consider particular issues across a number of entities.

As well as financial and performance audits, the Auditor-General carries out special reviews and compliance engagements.

Performance audits are reported separately, with all other audits included in one of the regular volumes of the Auditor-General's Reports to Parliament – Financial Audits.

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GPO Box 12
Sydney NSW 2001

The Legislative Assembly
Parliament House
Sydney NSW 2000

The Legislative Council
Parliament House
Sydney NSW 2000

In accordance with section 421D of the *Local Government Act 1993*, I present a report titled '**Report on Local Government 2019**'.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General
5 March 2020

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Report on Local Government 2019

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Section one

Report on Local Government 2019

This report analyses the results of our audits of local councils for the year ended 30 June 2019.

Auditor-General's foreword

I am pleased to present my third report to the Parliament on the 2019 audits of local government councils in New South Wales.

This report notes that unqualified audit opinions were issued on the 2018–19 financial statements of 134 councils and 11 joint organisations. The opinion for one council was disclaimed and three audits are yet to complete.

The report also highlights improvements I have seen in financial reporting and governance arrangements across councils. Fewer errors were identified. More councils have audit, risk and improvement committees and internal audit functions. Risk management practices, including fraud control systems, have also improved.

These are very pleasing indicators of the gradual strengthening of governance and financial oversight of the sector. I want to acknowledge the investment councils have made in working with the Audit Office to improve consistency of practice and accountability generally.

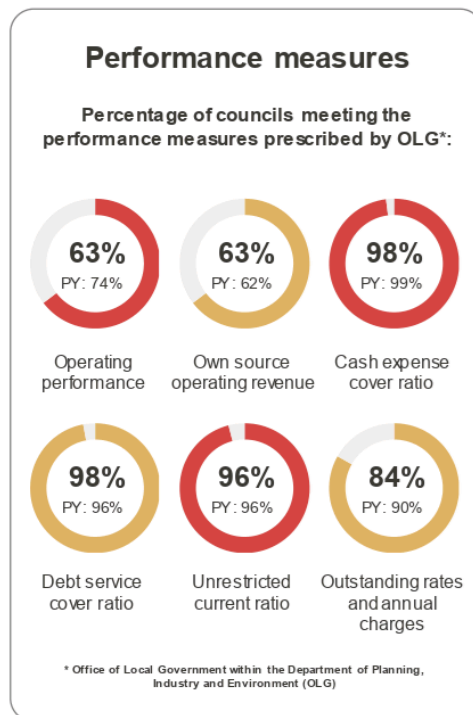
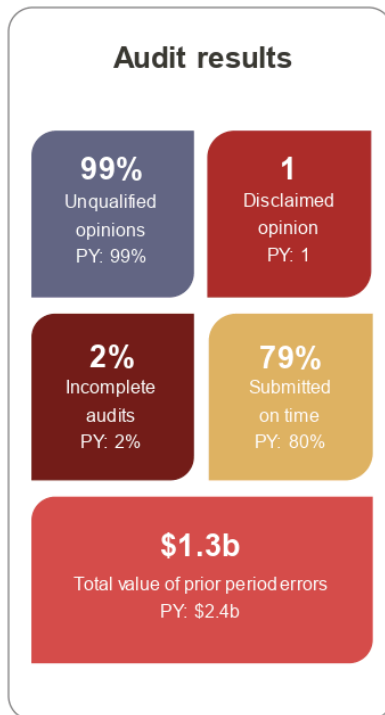
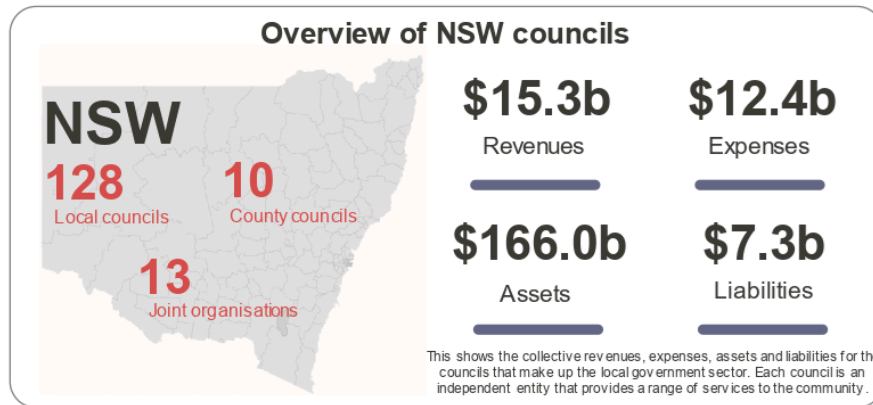
Of course there is more work to do, particularly to prepare for new accounting standards and to strengthen controls over information technology and cyber security management. Asset management practices can also be improved. This report provides some guidance to council on these matters and we will continue to partner with the Office of Local Government in the Department of Planning, Industry and Environment to support good practice.

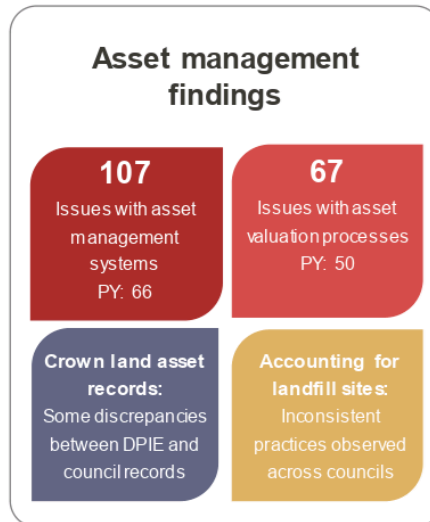
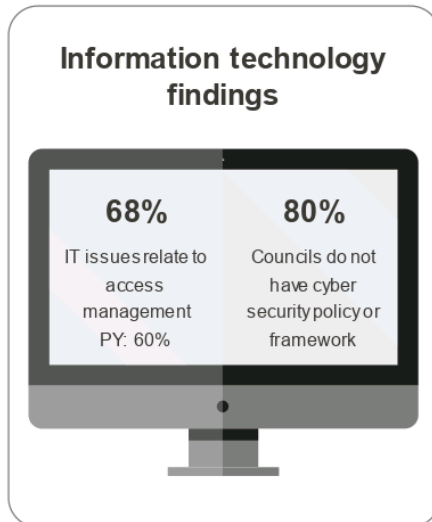
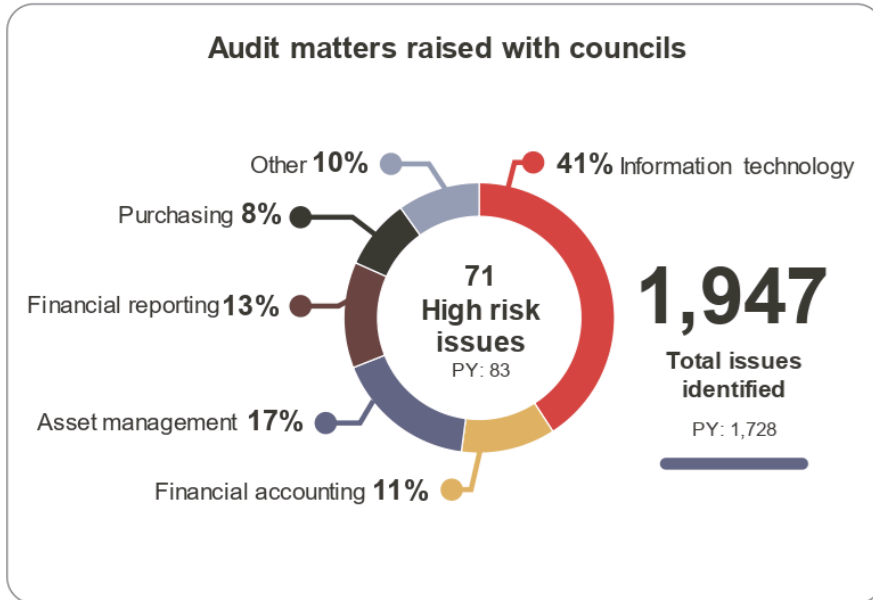


Margaret Crawford

Auditor-General
5 March 2020

At a glance





Insights for councils

Strengthen the quality and timeliness of financial reporting

Councils should:

- allocate sufficient time and resources to the financial reporting process. Refer to page 18 for better practice guidance
- have appropriate systems, processes and resources to implement the new accounting standards. Refer to page 20 for some key points to consider in the transition.

Improve governance and internal controls

Councils should:

- ensure that audit recommendations in our management letters are addressed in a timely manner. High risk issues need to be prioritised and repeat issues from prior years resolved
- have an audit, risk and improvement committee, which is a mandatory requirement by March 2021. Early adoption is encouraged
- have an internal audit function to support a risk and compliance culture
- have a legislative compliance framework to capture and monitor compliance with key laws and regulations
- continue improving their fraud control systems
- have adequate processes and controls to ensure compliance with their gifts and benefits policy and the Model Code of Conduct.

Strengthen IT controls and cyber security management

Councils should:

- ensure key IT policies are formalised and regularly reviewed to ensure emerging risks are considered and policies are reflective of changes to the IT environment
- ensure IT risks are identified and appropriately managed
- improve user access management processes to ensure that information systems are secure and that there are adequate controls for making changes to information systems
- implement at least the basic governance and internal controls to manage risks associated with cyber security.

Improve asset management practices

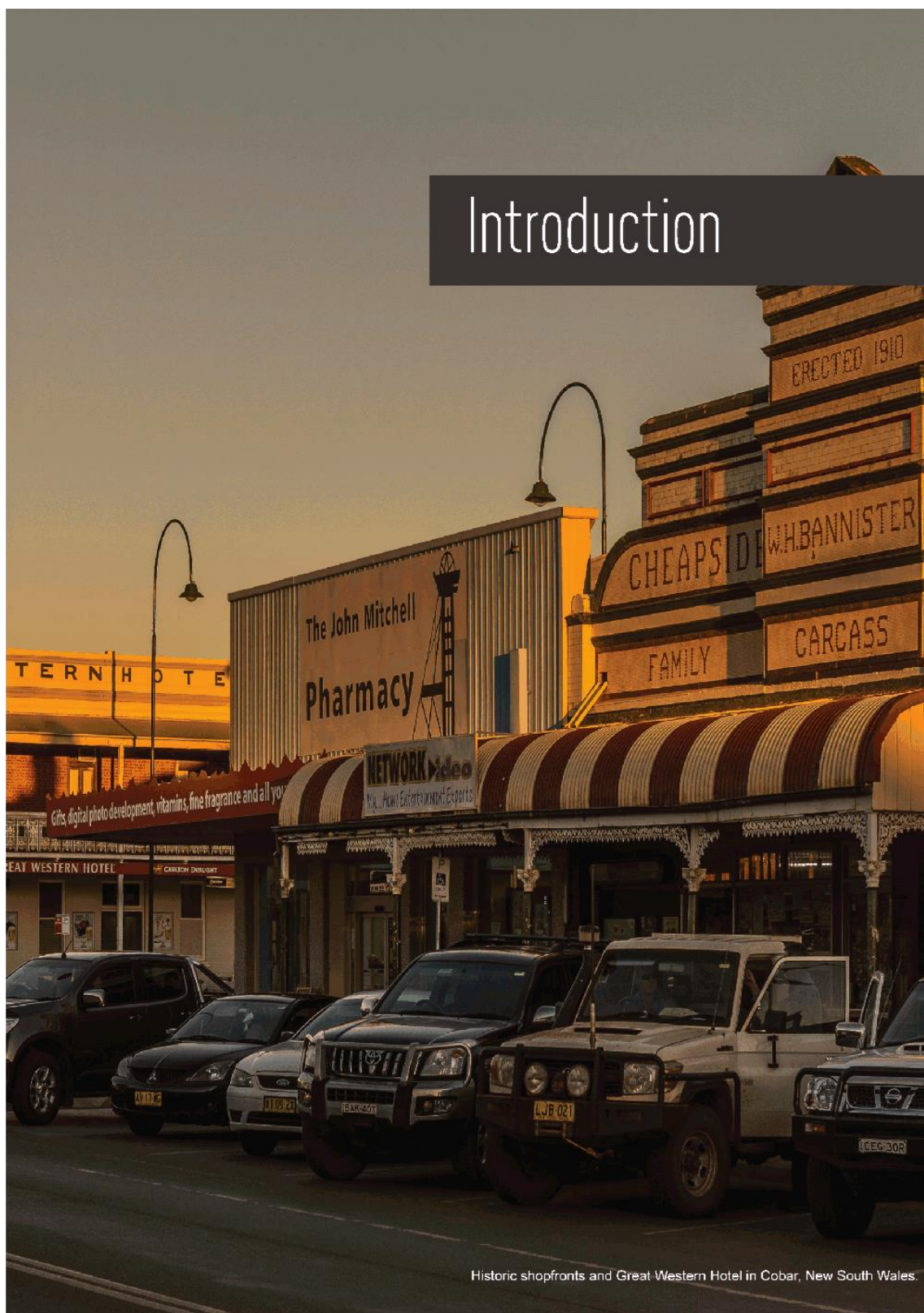
Councils should:

- regularly update asset registers, reconcile their asset registers with asset management systems and have suitable controls in place to ensure the integrity of manual spreadsheets
- start the asset valuation process earlier and ensure there is a clear plan to ensure valuations are managed and documented appropriately
- periodically reconcile asset registers to the Crown Land Information Database (CLID) and investigate any discrepancies in a timely manner
- review the methodology and assumptions in how they account for landfill sites.

Recommendation for the Department

The Office of Local Government within the Department of Planning, Industry and Environment should develop a cyber security policy by 30 June 2021 to ensure a consistent response to cyber security risks across councils.

Introduction



Historic shopfronts and Great Western Hotel in Cobar, New South Wales.

1. Introduction

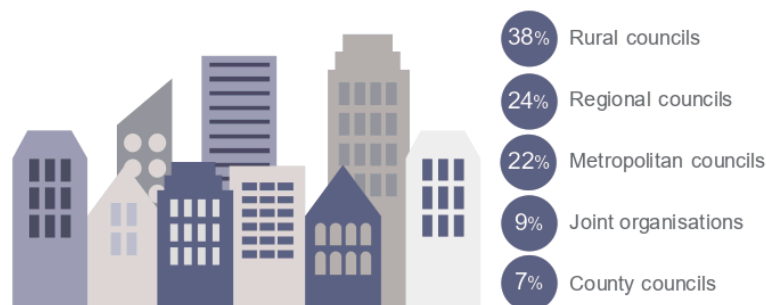
1.1 The Local Government Sector

Local Government is the third tier of government. It is established under state legislation, which defines the powers and geographical areas each council is responsible for.

Each council is a statutory corporation with elected councillors forming the governing body to direct council affairs in line with the *Local Government Act 1993* and Local Government (General) Regulations 2005. Local councils provide services and infrastructure for a geographical area.

County councils are formed for specific purposes such as to supply water, manage flood plains or eradicate noxious weeds.

At 30 June 2019, there were 128 local councils, ten county councils and 13 joint organisations in New South Wales.



This report details the results of the 2018–19 financial audits of 125 councils, ten county councils and 11 joint organisations. It also includes the results of the 2017–18 financial audits of Bayside Council, Hilltops Council and Maitland Council which are now completed.

We are yet to issue an audit opinion on the 30 June 2019 financial statements of the following councils:

Council	Reason for extension
Hilltops Council	Resourcing issues at council and implementing a new IT system.
Mid Coast Council	Resourcing issues at council and implementing a new IT system.
Murrumbidgee Council	Resourcing issues at council.

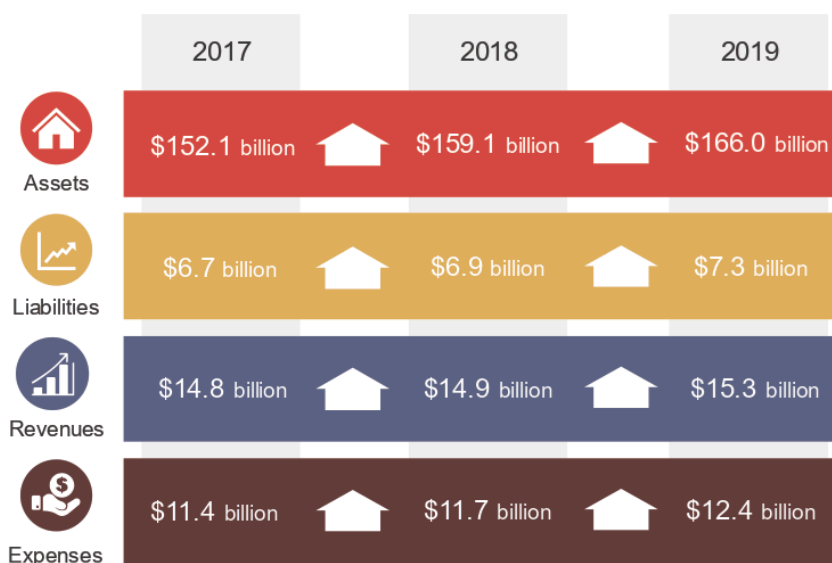
Next year's Report to Parliament will include the outcome of these incomplete audits.

In preparing this report, the comments and analysis are drawn from:

- audited financial statements
- our performance audit reports
- data collected from councils
- audit findings reported to councils in our management letters.

1.2 Financial snapshot

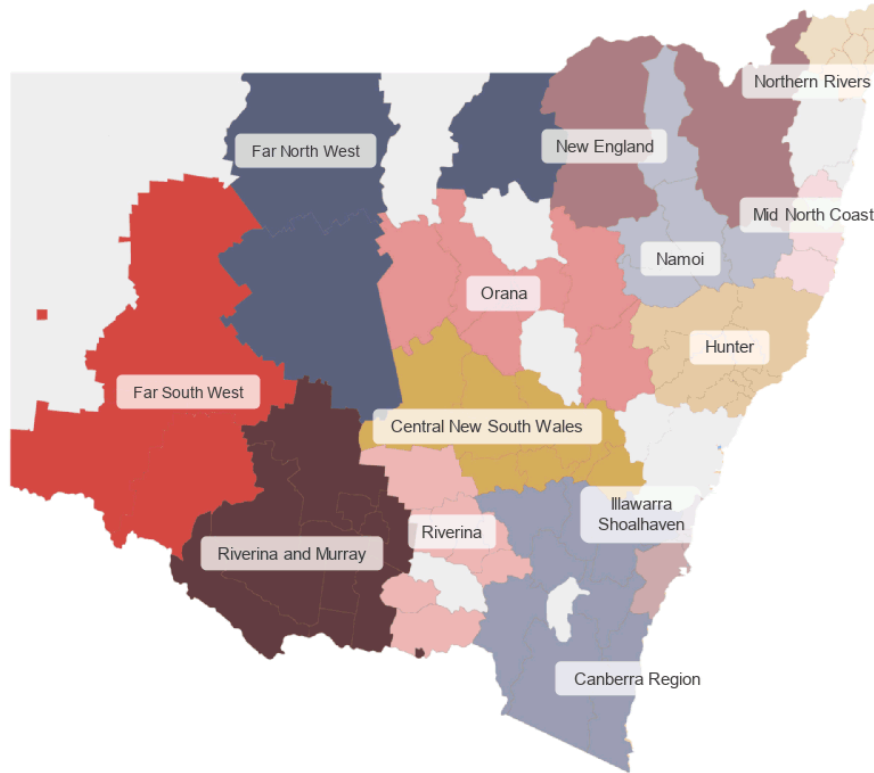
The snapshot below shows the collective assets, liabilities, revenues and expenses for councils that make up the Local Government sector over the past three years. Each council is an independent entity that provides a range of services, influenced by its population density, demographics, economy, geographic and climatic characteristics. These characteristics influence the financial profile of each council.



Source: Audited financial statements for 30 June 2017, 30 June 2018 and 30 June 2019.

1.3 Joint Organisations

On 30 November 2017, the NSW Government amended the *Local Government Act 1993* allowing councils in regional NSW to form Joint Organisations (JOs).



Note: Eighty-six councils in regional NSW are members of 13 JOs.

The core activities of JOs include regional strategic planning and priority setting, regional advocacy and collaboration with the State and Australian Governments. In addition, JOs can also engage in shared services with member councils.

In accordance with the legislation, 11 out of 13 JOs were required to prepare financial statements for audit by the Auditor-General from 2018–19 onwards. The Far North West JO and Far South West JO were established on 12 July 2018. The *Local Government (General) Regulation 2005* allows a Joint Organisation established after 1 July 2018 to prepare its first set of financial statements from the date of establishment to the last day of the financial year for the next period, which is 30 June 2020. The financial statements for the Far North West JO and Far South West JO will be audited next year.

1.4 Audit Office Annual Work Program

In addition to forming an opinion on the financial statements of councils, our audits examine a small number of specific topics across councils. We determine which topics to consider by looking for opportunities to improve public-sector accountability, governance and administration. We also consider the risks and challenges to councils in the Local Government sector and how these may be addressed during our audits. Our annual work program is carried out through our financial and performance audits.

Our 2018–19 financial audits focused on:

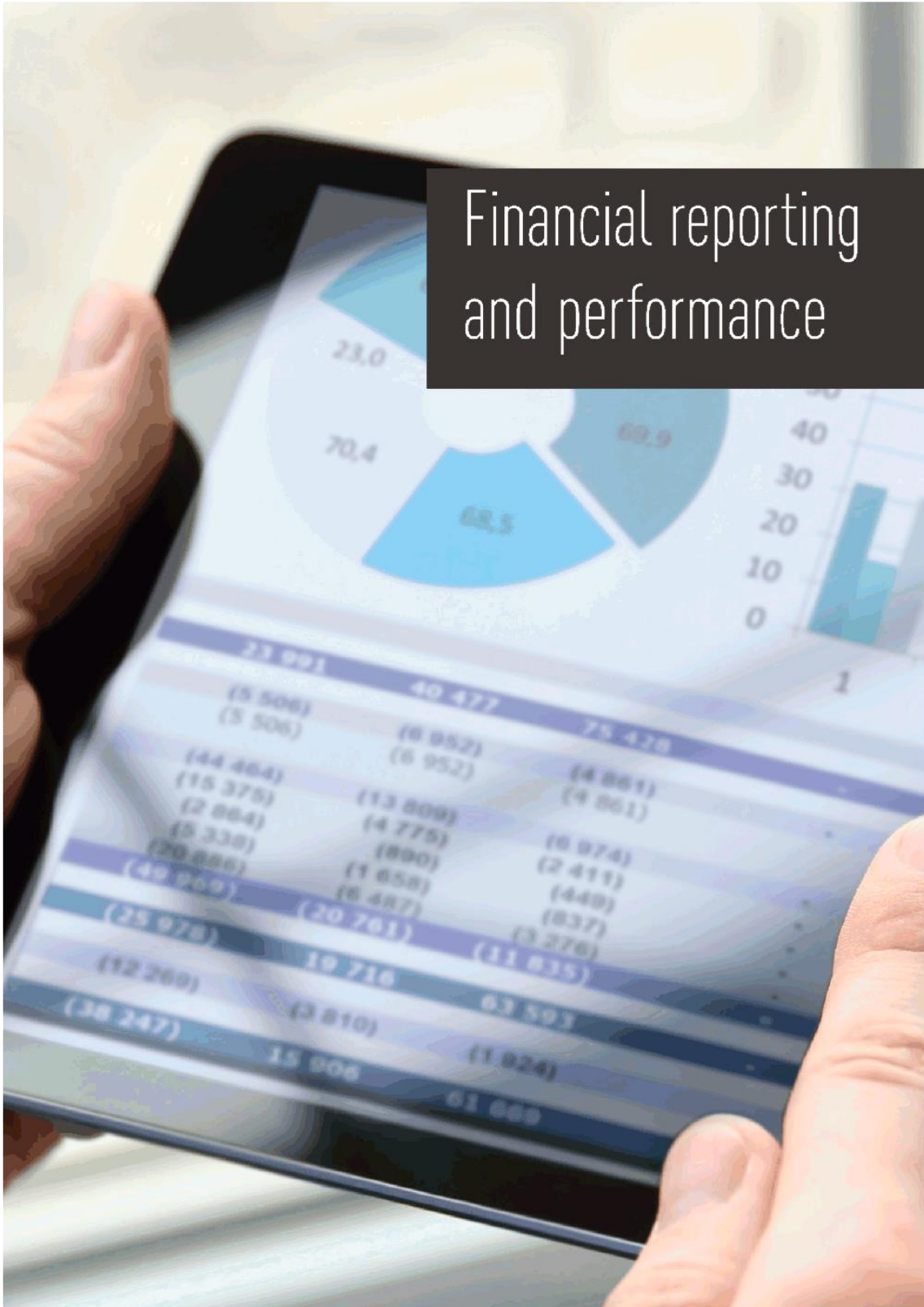
- Credit card management (see Chapter 3)
- Fraud controls (see Chapter 3)
- Gifts and benefits (see Chapter 3)
- Cyber security (see Chapter 4)
- Landfill rehabilitation (see Chapter 5).

The following performance audits are scheduled to be published in 2020:

- Credit card management
- Developer contributions and voluntary planning agreements
- Management of procurement.

Post 30 June 2020, the following performance audits are planned:

- Audit, Risk and Improvement Committees
- Cyber security
- Rural water supply and sewerage - fees and charges.



2. Financial reporting and performance

Financial reporting is an important element of good governance. Confidence in and transparency of public sector decision making is enhanced when financial reporting is accurate and timely. Strong financial performance provides the platform for councils to deliver services and respond to community needs.

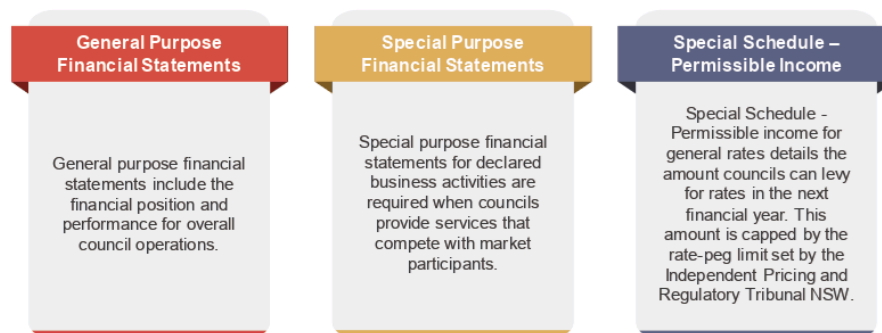
This chapter outlines our audit observations on the financial reporting and performance of councils and joint organisations.

Section highlights

- There was a reduction in the number and dollar value of errors identified in councils' financial statements.
- We continue to identify prior period errors, which are predominantly asset-related.
- Unqualified audit opinions were issued for 99 per cent of completed audits for councils and joint organisations.
- Three audits remain outstanding, with the outcomes to be reported in next year's Report to Parliament.
- Seventy-nine per cent of councils and joint organisations lodged their financial reports by 31 October 2019.
- Councils that performed some early reporting procedures achieved better outcomes in terms of the quality and timeliness of financial reporting.
- Councils are at various levels of preparedness to implement the new accounting standards for the 2019–20 financial year. Some have made the necessary modifications to systems and processes, but others are still assessing impacts.
- Most councils met the prescribed benchmarks for the liquidity and working capital performance measures over the past three years.
- More councils reported negative operating performance compared with the prior year, meaning their operating expenditure exceeded their operating revenue.

2.1 Quality of financial reporting

The Auditor-General is required under the *Local Government Act 1993* to issue an audit opinion on the following reports prepared by councils.



Indicators of quality financial reporting include:

- unqualified audit opinions
- low number of errors in the financial statements
- less issues reported in our management letters relating to financial reporting processes.

Audit opinions

For completed audits, unqualified audit opinions were issued for all but one council

Except for Bayside Council, the 2018–19 financial statements in the sector were free of material misstatement and users can rely on them to make informed decisions.



Three audits remain outstanding and the outcomes will be reported in next year's Report to Parliament.

Two unqualified opinions and one disclaimed opinion issued on the 2017–18 audits

Three financial audits from the previous year were not completed at the time of tabling the 'Local Government 2018' report in Parliament. We subsequently issued unqualified opinions for two of these councils and a disclaimed opinion for Bayside Council.

Hilltops council did not meet the extension date approved by OLG for the 2017–18 audit. This was a breach of section 416 of the *Local Government Act 1993* and was reported to the Minister for Local Government.

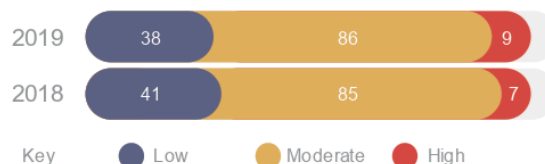
Audit opinions for the 30 June 2019 and 30 June 2018 financial statements of Bayside Council were disclaimed

A disclaimed audit opinion was issued for the 30 June 2018 financial statements of Bayside Council. This was based on management being unable to confirm that the financial statements present fairly the financial performance and position of the Council due to control deficiencies in the Council's financial accounting systems.

Consequently, there was insufficient audit evidence to support the opening balances at 1 July 2018. This impacted the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes accompanying the financial statements for the year ended 30 June 2019. We were also unable to obtain sufficient evidence to support the completeness and accuracy of stormwater drainage assets recorded in the 30 June 2019 financial statements. The pervasiveness of these issues resulted in a disclaimed opinion for the 30 June 2019 financial statements. Except for stormwater drainage assets, the opening balances as at 1 July 2019 were not impacted.

Financial statements

Our audits identified 133 issues (2017–18: 133 issues) relating to financial reporting processes. Thirty-two per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

Council	Description
Berrigan Shire Council	The financial statements were delayed, key areas of the financial statements were not reconciled, and significant errors were identified and corrected.
Central Coast Council	The financial statements were significantly delayed, key reconciliations of the financial statement areas were prepared late in the process and there were a number of errors and disclosure deficiencies that were identified and corrected.
Cootamundra-Gundagai Council	The financial statements were delayed and a number of errors were identified and corrected. There were significant delays in reconciling the fixed asset balances to the general ledger and preparing a full set of financial statements.
Dungog Shire Council	The financial statement preparation process was delayed due to reconciliation of significant differences between the fixed assets register and the general ledger.
Federation Council	The financial statements were delayed, and significant errors were identified and corrected.
Inner West Council	The financial statements were delayed due to data migration to a new system, issues with the asset reconciliations and council staff resourcing. Numerous errors and disclosure deficiencies were identified and corrected.
Murrumbidgee Council	Council did not have workplans, timetables and adequate resourcing in place for the financial reporting process. Council was not regularly performing key functions such as reconciliations. These factors, along with the delays in the migration into a new IT system, led to significant delays in the financial reporting process.
Murray River Council	The financial statements were delayed due to council resourcing issues. A number of issues and errors were identified during the audit which were corrected.
Riverina and Murray Joint Organisation	The financial statements were delayed and there were a number of errors and disclosure deficiencies which were corrected.

Common issues classified as moderate or low risk include:

- not adequately assessing the impact of new accounting standards
- inadequate financial reporting project plan, impacting the quality and timeliness of financial reporting.

15

Reduction in number and dollar value of errors identified

Our audits identified fewer errors, both in number and dollar value, compared to the prior year.

Year ended 30 June	2019			2018		
	✓	!	−	✓	!	−
Less than \$5 million	161	214	27	181	283	28
\$5 million to \$15 million	14	8	15	21	12	18
\$15 million to \$30 million	6	0	7	7	1	4
\$30 million to \$50 million	3	0	3	2	1	3
\$50 million and greater	1	0	7	4	0	7
Total number of errors	185	222	59	215	297	60
Total value of errors (\$ billion)	0.5	0.2	1.3	1.0	0.4	2.4

Key ✓ **Corrected errors** ! **Uncorrected errors** − **Prior period errors**

Source: Engagement Closing Reports for 30 June 2019 audits.

Fifty-nine prior period errors were identified with a total value of \$1.3 billion

Our audits identified 59 prior period errors with a total value of \$1.3 billion affecting the financial statements of councils (2017–18: 60 prior period errors with a value of \$2.4 billion). These errors were subsequently corrected by the councils.

Most of the prior period errors were asset-related.



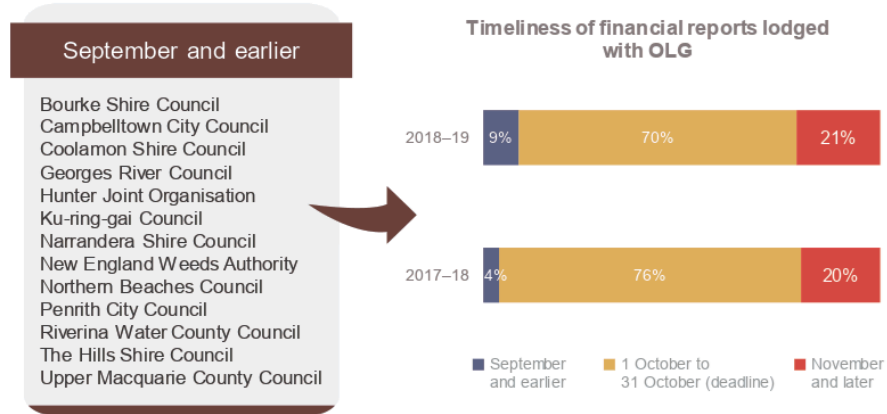
Source: Engagement Closing Reports for 30 June 2019 audits.

2.2 Timeliness of financial reporting

Seventy-nine per cent of councils and joint organisations lodged their financial reports on-time

The *Local Government Act 1993* requires councils to submit audited financial reports to OLG by 31 October or apply for an extension.

Seventy-nine per cent of councils and joint organisations¹ (2017–18: 80 per cent of councils) lodged their 2018–19 audited financial reports before the deadline. More councils lodged their financial reports during September or earlier.



Castlereagh Macquarie County Council, Illawarra Shoalhaven Joint Organisation and Mid North Coast Joint Organisation did not submit their audited financial statements by the statutory deadline and did not apply for an extension before the deadline lapsed. This constitutes a breach of section 416 of the *Local Government Act 1993*.

Twenty-seven councils (2017–18: 24 councils) and three joint organisations applied for extensions to lodge their financial statements. Of these, eight councils applied for a further extension as they were unable to meet the original extension date approved by OLG.

The diagram shows the common reasons why councils required extensions.



Source: Council extension letters.

¹ Joint Organisations were required to prepare financial statements for audit by the Auditor-General from 2018–19 onwards.

Sixty-two per cent of councils performed early financial reporting procedures

This year, 62 per cent of councils (2017–18: 44 per cent of councils) performed early financial reporting procedures, including:

- completing infrastructure, property, plant and equipment valuations before 30 June
- preparing proforma financial statements and associated disclosures
- assessing the impact of complex and one-off significant transactions.

Eighty-five per cent (2017–18: 85 per cent) of councils who performed some early financial reporting procedures lodged their financial statements within the statutory deadline.

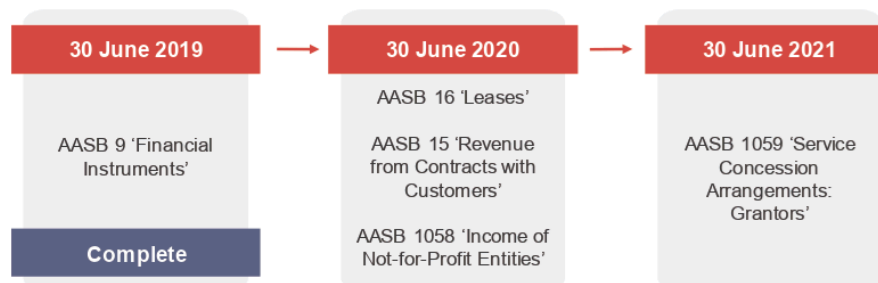
Ninety-two per cent (2017–18: 85 per cent) of councils who performed valuations before 30 June lodged their financial statements within the statutory deadline.

It is important that councils appropriately plan the financial reporting process to ensure statutory deadlines are met. Better practice guidance is provided below with some key actions to assist councils to improve the quality and timeliness of their financial reporting.

Better practice financial reporting	
<p>✓ Have a project timetable to effectively plan resources, assign key tasks and set timeframes.</p>	<p>✓ Reconcile key general ledger accounts to subsidiary ledgers and other information such as fixed asset registers.</p>
<p>✓ Prepare proforma financial statements to enable early review of the format, adequacy of accounting policies and note disclosures, and declutter and remove unnecessary notes.</p>	<p>✓ Engage the audit, risk and improvement committee early to consider the financial statements, key accounting estimates and significant changes in accounting policies.</p>
<p>✓ Revisit the project plan regularly to identify and manage delays and key issues.</p>	<p>✓ Assess the impact of new and revised accounting standards effective in the current and future years.</p>
<p>✓ Analyse budget variances and movements from prior year.</p>	<p>✓ Document proposed action plan to resolve prior year audit issues.</p>
<p>✓ Organise and manage information requirements from internal and external parties, including valuation experts.</p>	<p>✓ Document key assumptions and judgements used for estimates and financial statement preparation.</p>
<p>✓ Engage early and openly with the auditors.</p>	<p>✓ Assess the impact of material, complex and one-off significant transactions.</p>
<p>✓ Have a clear plan to ensure valuations are managed and documented appropriately. Conduct comprehensive revaluation of Infrastructure, property, plant and equipment (IPPE) by 30 June, including review of the outcomes for quality and reasonableness and resolving any queries. Assess the fair value of IPPE not subject to a comprehensive revaluation by 30 June.</p>	<p>✓ Keep adequate financial records to support the financial statements.</p>

2.3 New accounting standards

Three new accounting standards to be implemented this financial year



Changes in accounting standards can materially impact the financial statements. It is important that councils and joint organisations review the impact of upcoming changes and have appropriate systems, processes and resources to implement the new accounting standards.

Our audits identified and reported 60 instances (2017–18: 95 instances) where management could be better prepared for the changes to accounting standards. This was an improvement from the previous year and indicates some councils have made progress to prepare for the changes.

Our audits found councils need to do more work on their impact assessments to minimise the risk of errors in the financial statement disclosures. Some councils disclosed that the new standards would not have a material impact on their reported financial position and performance but had little evidence to support this.

Each council is unique and implementing the new standards is not straight forward as many new principles apply. Management judgement is needed to interpret how the principles will impact their specific council. As a result, councils face the following risks and challenges:

- having the required technical skills in house
- having accurate data and complete contract registers to assess the impacts
- correctly and consistently interpreting the new requirements
- adequately planning and preparing for their application
- implementing new systems and processes to capture the information needed to meet the new reporting obligations.

To help councils implement the new accounting standards, the OLG conducted workshops, developed guidance and mandated options for councils to adopt on transition.

The table below shows the key points to consider in the transition.

Assess	Prepare	Implement
Develop a detailed project plan and identify key team members.	Engage with key stakeholders, communicate the project plan.	Continuous engagement with stakeholders.
Identify key financial statement line items and complex transactions affected by the new standards.	Determine staff training needs, schedule in advance and develop training material. Seek guidance from experts, if required.	Execute staff training.
Perform gap analysis between current and new recognition principles for revenue, leases and service concessions.	Consider and determine what processes need to change to collect relevant data before implementing new accounting standards.	Clearly document judgements made when applying the new standards.
Determine transition options and practical applications.	Assess completeness of contract registers and nature of contracts with customers, grant and lease agreements, arrangements with private sector operators.	
Determine availability and populations of information/data to support these balances.	Identify system enhancements or new software solutions to capture information for increased reporting obligations.	Capture contract information/data. Integrate contract information/data into systems, update processes and controls. Implement and test completeness and accuracy of data and calculations. Ensure system is operating effectively and fully integrated into council's/joint organisation's operations. Adjust opening balances to reflect the impact of the new accounting standards.
	Revise accounting policies and guidelines to align with the new accounting standards.	Communicate new policies and guidelines.
	Review and update financial statement disclosures.	Socialise the updated accounting disclosures with your auditors.
	Identify impacts on key performance indicators and whether metrics need to change.	Revise key performance indicators and internal reporting.

2.4 Financial performance

Councils are required to report against the performance indicators prescribed by OLG. Council's audited financial statements report performance against the six financial performance measures, including operating performance, revenue, liquidity and working capital measures.

Operating performance and revenue measures

The operating performance and revenue measures indicate whether councils:

- kept operating expenses within operating revenue
- generated sufficient own source revenue as a proportion of total revenue from all sources.

Overall, more councils:

- reported negative operating performance in 2018–19 compared with 2017–18
- met the benchmark for own source operating revenue in 2018–19 compared with 2017–18.

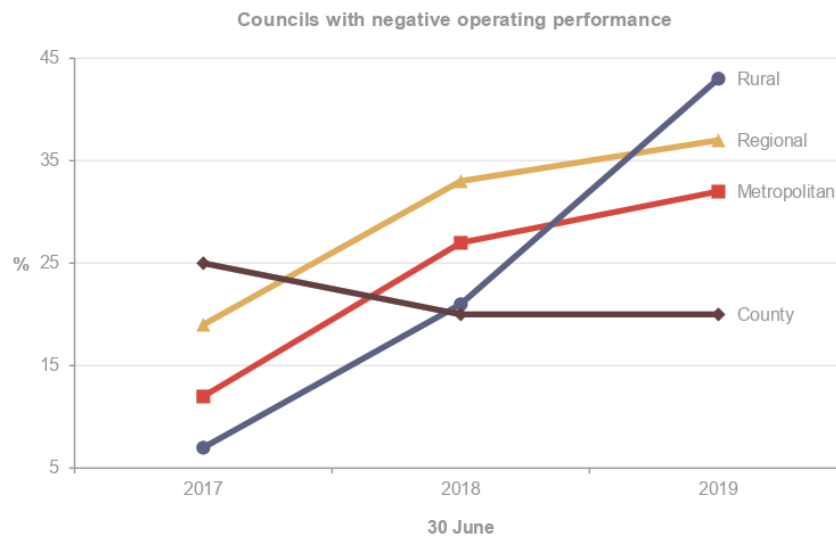
63% of councils met the operating performance ratio (2017–18: 74%)



63% of councils met the own source operating revenue ratio (2017–18: 62%)

Source: Audited financial statements for 2017–18 and 2018–19.

More councils reported negative operating performance



The percentage of metropolitan, regional and rural councils reporting negative operating performance has increased over the past three years.

Councils should ensure they have appropriate financial management strategies in place to support their financial performance over the long term.

Rural councils continue to face challenges in generating own source revenue

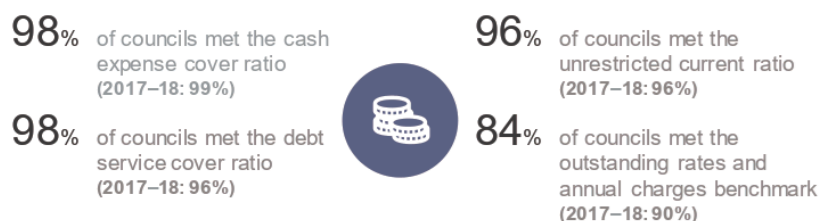
In 2018–19, 68 per cent of rural councils did not meet the own source operating revenue benchmark (2017–18: 62 per cent). The ability to generate own source revenue remains a challenge for rural councils, who are more reliant on external funding from grants. Rural councils have high-value infrastructure assets covering large areas, less ratepayers, lower land values and less capacity to raise revenue from alternate sources compared with metropolitan councils. For example, they have less capacity to generate revenue from sources such as parking fees, property development and rental income.

Liquidity and working capital performance measures

The liquidity and working capital performance measures indicate whether councils can:

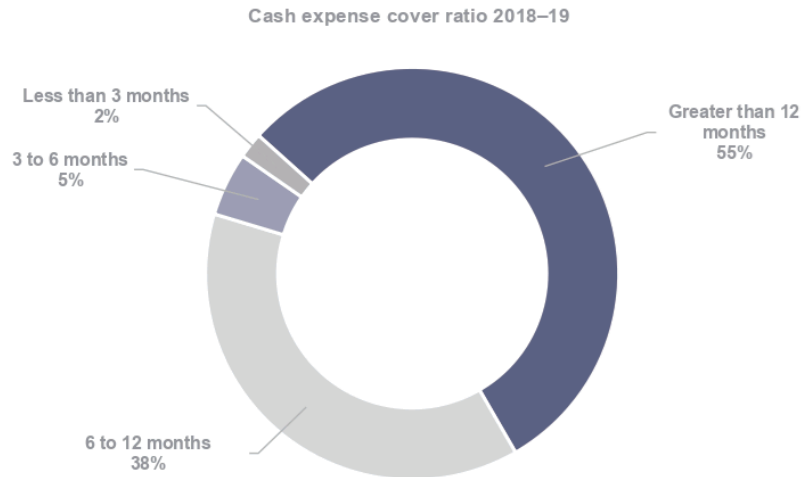
- meet their future expenses without additional cash inflows
- meet their short-term obligations as they fall due
- service their debt including interest, principal and lease payments
- collect sufficient rates and annual charges.

Most councils met the benchmarks for the liquidity and working capital performance measures over the last two years.



Source: Audited financial statements for 2017–18 and 2018–19.

In 2018–19, all but three councils had the capacity to cover more than three months of expenditure without extra cash inflows (2017–18: one council). Seventy-four councils had enough cash on hand to fund more than 12 months of expenditure (2017–18: 69 councils). Another 52 councils had enough cash to fund between six and 12 months of expenditure (2017–18: 54 councils), and seven councils had enough cash to cover three to six months of expenditure (2017–18: 11 councils).



Source: Audited financial statements for 2018–19.

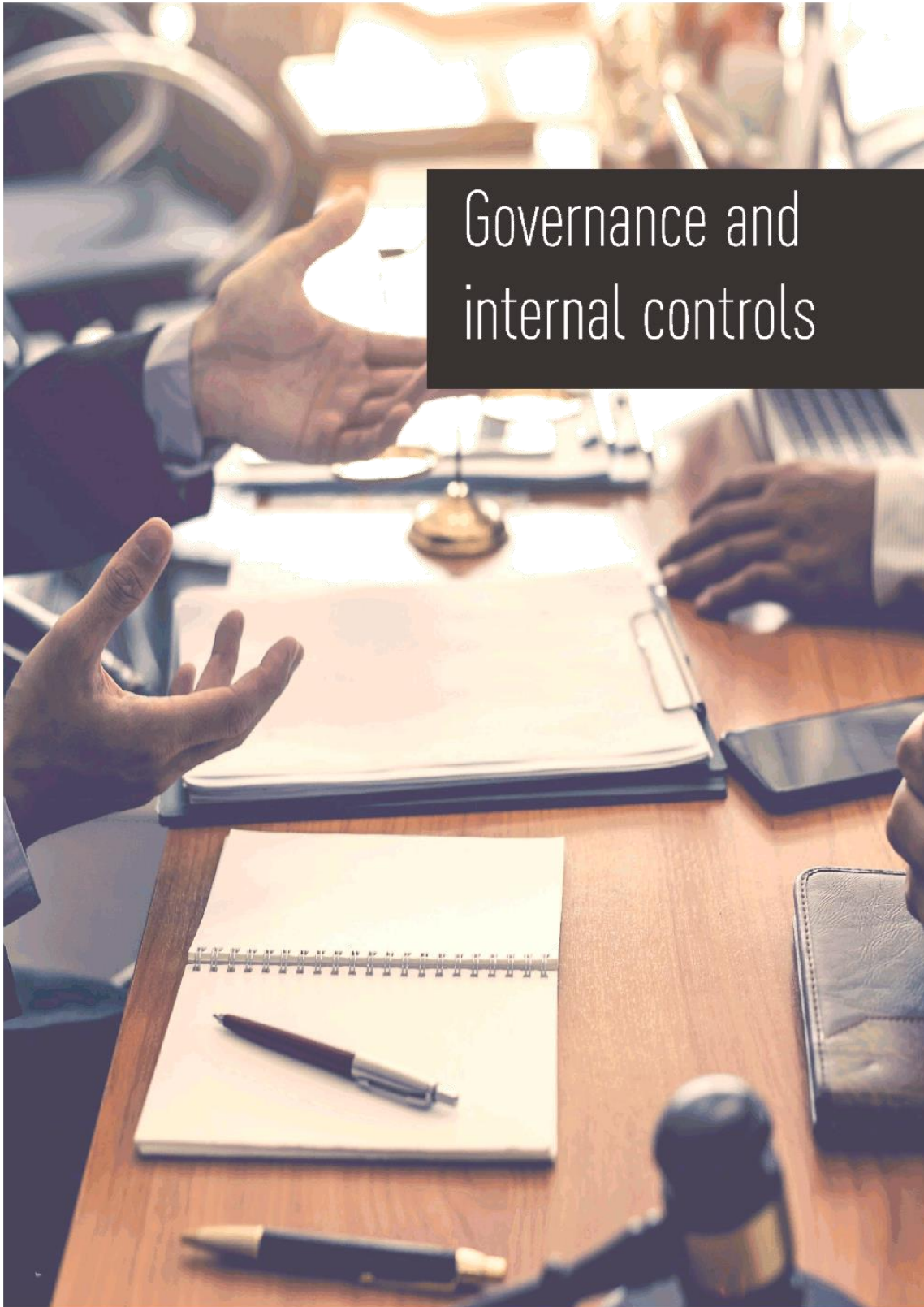
Another 19 councils would need to use externally restricted funds to cover three months of expenses

Some funds are externally restricted and cannot be used for purposes other than what they were collected for, due to legislative or other externally imposed requirements. Councils are not required to exclude externally restricted funds when calculating the cash expense cover ratio.

If externally restricted funds are excluded from the cash expense cover ratio, an additional 19 councils would not meet OLG's benchmark for the cash expense cover ratio.

To pay for employees and other operating expenses, councils with low levels of unrestricted funds may need to:

- borrow funds
- seek approval from the Minister for Local Government to use externally restricted funds
- reduce expenses and/or increase revenue.



Governance and
internal controls

3. Governance and internal controls

Strong governance systems and internal controls help councils to operate effectively and efficiently, produce reliable financial reports, comply with laws and regulations and support ethical government.

This chapter outlines the overall trends related to governance and internal control issues across councils and joint organisations for 2018–19.

Section highlights

- While the total number of issues reported in our management letters increased compared with the prior year, the total number of high risk issues have decreased. Of the high-risk issues, 41 per cent were deficiencies in information technology controls.
- More councils have established audit, risk and improvement committees and internal audit functions.
- Councils have improved risk management practices, with over 75 per cent of councils now having a risk management policy and register.
- While most councils have policies and processes to manage gifts and benefits, we identified some instances of non-compliance with the Model Code of Conduct.
- Most councils have policies and processes to manage the use of credit cards.
- Councils can strengthen policies and practices for managing fraud controls and legislative compliance.
- There are further opportunities for councils to improve internal controls over revenue, purchasing, payroll, cash, financial accounting and governance processes.

3.1 Internal controls

Our financial audits focus on the key governance matters and internal controls supporting preparation of the councils' financial statements. We assess whether they are designed and implemented effectively to manage the risk of material error in the financial statements.

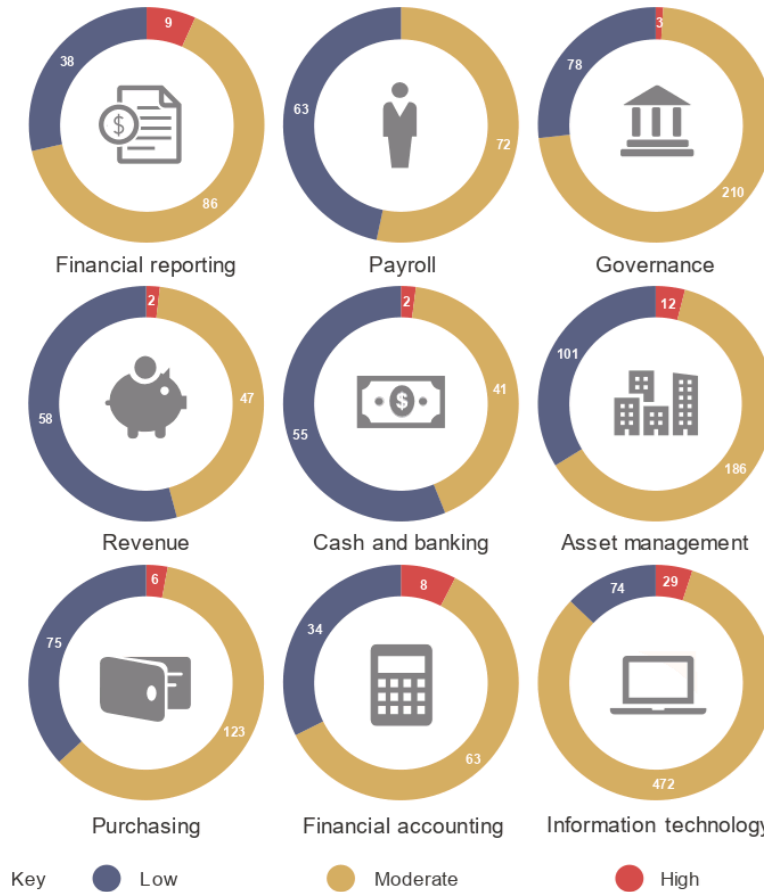
We report control deficiencies identified to management and those charged with governance of a council through our audit management letters. The issues are rated as high, moderate or low risk in accordance with the risk management framework in the Treasury Policy Paper 12-03 'Risk Management Toolkit for the NSW Public Sector'.

Our audits do not review all aspects of internal controls and governance every year. We select a range of measures, and report on those that present heightened risks for councils to address.

The total number of issues reported in our management letters has increased

The diagram shows the total number of issues reported in our management letters. This year, we reported 1,947 issues compared with 1,728 issues in the prior year.

Management letters



Source: Interim and final management letters for 30 June 2019.

High-risk findings

The total number of high risk issues reported in our management letters has decreased

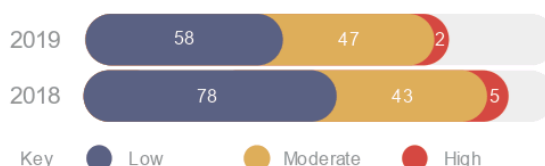
Our 30 June 2019 financial audits identified 71 high-risk findings compared to 83 in 2017–18.

The high-risk findings are in the following areas:

- financial reporting and performance (see Chapter 2)
- information technology (see Chapter 4)
- asset management (see Chapter 5)
- revenue process
- purchasing process
- cash and banking process
- financial accounting
- governance.

Revenue process

Our audits identified 107 issues related to revenue processes (2017–18: 126 issues). Fourteen per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

Council	Description
Balranald Shire Council	Lack of processes to verify the completeness and accuracy of revenue provided to council by an external operator of the Caravan park.
Maitland City Council	Lack of regular reconciliation between the rates and annual charges system and the general ledger. Also, council was unable to generate a list of outstanding rate levies by individual ratepayers that may impact the effectiveness of debt collection procedures.

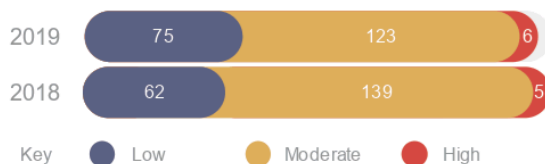
Common issues classified as moderate or low risk include:

- inadequate segregation of duties in the revenue process
- revenue reconciliations not prepared or reviewed
- lack of review of changes to the debtor master file.

There is currently a performance audit being performed over developer contributions, including voluntary planning agreements. This is scheduled to be tabled in Parliament during the second quarter of 2020. This audit will consider the governance and internal controls over developer contributions, including voluntary planning agreements, at four selected councils.

Purchasing process

Our audits identified 204 issues related to purchasing processes (2017–18: 206 issues). Eighteen per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

Council	Description
Murrumbidgee Council	There was no formal review process to acquit credit card expenditure and some staff were sharing credit cards.
Maitland City Council	Council implemented a new procurement module during 2018–19. Our review of system controls identified deficiencies over the following areas: <ul style="list-style-type: none"> request for quotation process lack of review and approval of purchase orders lack of system enforcement of financial delegations.
Mid-Coast Council (two high risk issues)	Control deficiencies were identified over the following areas: <ul style="list-style-type: none"> vendor master file maintenance lack of segregation of duties invoice payments lack of system enforcement of financial delegations.
Shoalhaven City Council Liverpool Plains Shire Council	Control deficiencies were identified over the authorisation of purchase orders.

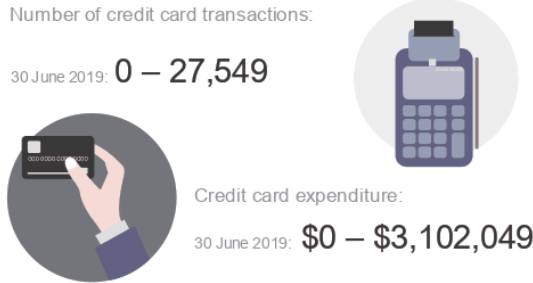
Common issues classified as moderate or low risk include:

- inadequate segregation of duties in the purchase and payables processes
- inappropriate use of purchase orders and/or not using purchase orders
- lack of review of changes to the creditors master file.

There is currently a performance audit being performed over the management of procurement. This is scheduled to be tabled in Parliament during the second quarter of 2020. The audit will assess how effectively procurement is managed for six selected councils, with the aim of generating sector-wide learnings on procurement and tender management.

Most councils have policies and processes over credit card management

Some councils use credit cards for purchasing general consumables, minor plant and equipment, hospitality and travel. The level of credit card usage varies across councils.



Effective credit card management helps to reduce the risk of inappropriate or unauthorised use of corporate credit cards.

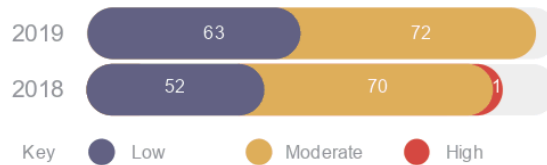
We reviewed the controls in place to manage the use of credit cards and our observations are summarised in the table below.

Credit card management	%
Council has a periodic credit card acquittal process, which requires cardholders to provide receipts or other supporting documentation	98
Credit card reconciliations are reviewed by an appropriate delegated authority	94
Credit card reconciliations are reviewed in a timely manner	93
Council has a corporate credit card policy	92
New cardholder is required to sign the agreement of terms of use	87
Corporate credit card policy is current	82

The former Minister for Local Government requested we conduct a performance audit over credit card usage at local councils given the alleged misuse of a credit card at a rural council. This audit is scheduled to be tabled in Parliament during the second quarter of 2020. The audit will assess the effectiveness of credit card management practices at six selected councils, including testing the effectiveness of their policies in practice.

Payroll process

Our audits identified 135 issues related to payroll processes (2017–18: 123 issues). Twenty-four per cent were repeat issues.



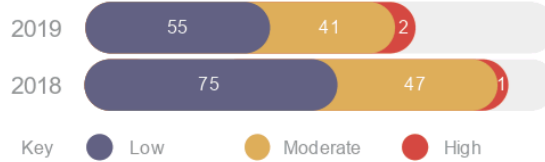
Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

Common issues classified as moderate or low risk include:

- lack of review of changes to details in the employee master file
- no review of payroll reports and timesheets.

Cash and banking process

Our audits identified 98 issues related to cash and banking processes (2017–18: 123 issues). Seventeen per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

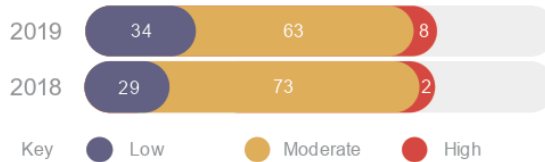
Council	Description
Mid-Western Regional Council	The Council breached the <i>Unclaimed Money Act 1995</i> by not remitting monies held longer than six years to Revenue NSW.
Upper Hunter Shire Council	The Council breached the <i>Local Government Act 1993</i> by utilising externally restricted funds without ministerial approval. This was due to an administrative delay in obtaining 2018–19 budgeted loan funds until 2 August 2019.

Common issues classified as moderate or low risk include:

- no segregation of duties in the cash handling and receipting processes
- lack of review of bank reconciliations
- lack of security controls over access to bank payment files
- outdated bank signatories.

Financial accounting process

Our audits identified 105 issues related to financial accounting processes (2017–18: 104 issues). Thirty-one per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

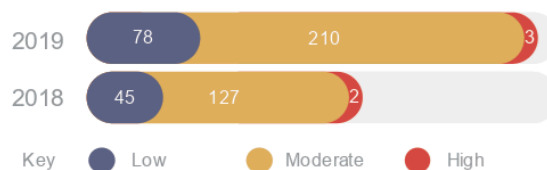
Council	Description
Central Darling Shire Council Hunter Joint Organisation Narrabri Shire Council Woollahra Municipal Council	Some manual journals were prepared and posted by the same employee. The journals were not reviewed by an independent officer and there was a lack of supporting evidence for the manual journals.
Shoalhaven City Council	Council's processes for preparing and posting manual journals did not require any independent review prior to the journals being posted to the general ledger.
Central Darling Shire Council	Lack of segregation of duties within the Council's finance function.
Mid-Coast Council (two high risk issues)	Inconsistent application of policies and procedures across Council's financial systems, processes and control environments. Council did not perform key balance reconciliations in a timely manner and there was no evidence of review. Some of the reconciliations have not been performed since the start of the financial year.

Common issues classified as moderate or low risk include:

- lack of review of reconciliations
- key balance reconciliations not performed in a timely manner
- lack of segregation of duties over processing journals.

3.2 Governance

Our audits identified 291 issues related to corporate governance (2017–18: 174 issues). Fifteen per cent were repeat issues.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils:

Council	Description
Bellingen Shire Council	Non-compliance with workplace health and safety legislation and the Environment Protection Agency's requirements for waste and quarry operations.
Murrumbidgee Council	Incomplete contract registers and inadequate probity controls.
Central Coast Council	The Council used section 7.11 infrastructure contributions to pay Council administration expenses. This is a breach of the <i>Environmental Planning and Assessment Act 1979</i> . This has subsequently been repaid.

The common governance issues can be grouped into the following areas, and are explained further below:

- audit, risk and improvement committees
- internal audit
- legislative compliance
- risk management
- fraud controls
- gifts and benefits.

More councils have established audit, risk and improvement committees

An effective audit, risk and improvement committee is an important contributor to good governance. An effective committee helps councils to build community confidence, meet legislative and other requirements and meet standards of probity, accountability and transparency.

14 more councils have established audit, risk and improvement committees during 2018–19 resulting in
111 councils having committees



Changes outlined in Section 428A of the *Local Government Amendment (Governance and Planning) Act 2016* will require the remaining councils to establish an audit, risk and improvement committee by March 2021.

For those councils with an audit, risk and improvement committee, we assessed their performance against better practice. The table below summarises our observations.

Audit, risk and improvement committee	2019	2018
	%	%
Chair of the committee is independent	97	94
Committee has a charter	96	98
Committee monitors progress in addressing audit recommendations	95	87
Committee is advised of financial reporting issues	90	90
Majority of the committee members are independent	84	83
Committee reviews the enterprise risk register	81	81
Committee performs an annual self-assessment of its performance	52	48

More councils have established an internal audit function

Internal audit is another important element of an effective governance framework as it supports a risk and compliance culture. Internal audit provides assurance over council's governance practices and internal control environment and identifies where performance can improve.



11 more councils have established an internal audit function during 2018–19 resulting in **103** councils having an internal audit function

The *Local Government Act 1993* also envisages the establishment of an internal audit function in each council to support the work of the audit, risk and improvement committee.

For those councils with an internal audit function, we assessed their performance against better practice. The table below summarises our observations.

Internal audit functions	2019	2018
	%	%
Audit, risk and improvement committee reviews the internal audit plan	99	90
Internal audit plan is documented	95	95
Audit, risk and improvement committee assesses the performance of internal audit	83	61
Internal audit plan aligns with the enterprise risk register	78	85

Councils need to improve practices to comply with key laws and regulations

A legislative compliance framework assists councils to capture and monitor compliance with key laws and regulations.

While there was a slight improvement in the percentage of councils with a legislative compliance policy and register, there needs to be further improvement overall.

38% of councils have a legislative compliance policy (2017–18: 34%)

41% of councils have a legislative compliance register (2017–18: 36%)



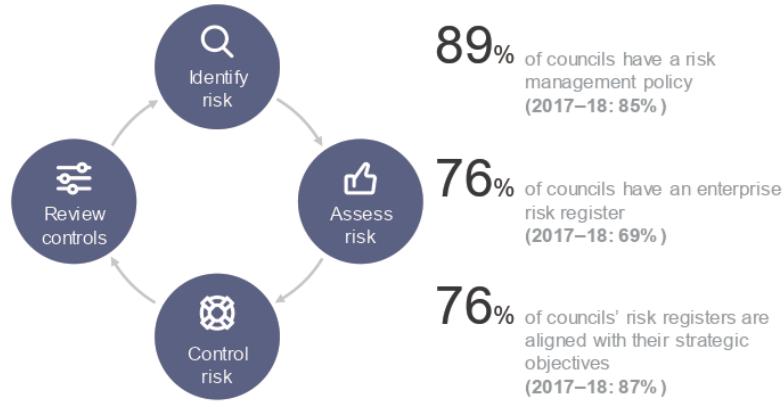
Ineffective legislative compliance frameworks increase the risk of councils breaching legislation. This can attract penalties, affect service delivery and cause significant reputational damage.

A compliance framework should be tailored to the size and risk profile of a council.

Most councils have a risk management policy and register

A risk management policy helps to provide a framework for managing risks. A risk register, aligned to strategic objectives, can be an effective tool to support decision-making.

Over seventy per cent of councils have a risk management policy and register.



Councils have improved their fraud control systems

Effective fraud control and ethical frameworks can help protect councils from events that risk serious reputational damage and financial loss.

On 22 June 2018, the Auditor-General tabled in Parliament a performance audit report on 'Fraud controls in local councils'. The report found councils often have fraud control procedures and systems in place but are not ensuring people understand them and how they work. There is also significant variation in the quality of fraud controls across councils.

We performed a follow up review to assess the progress made since the performance audit² in 2018. The results are summarised in the table below.

Fraud controls	2019	2018
	%	%
Council has a fraud control policy	77	78
Fraud awareness information is provided to new starters	70	58
Fraud control policy was updated within the past three years	68	51
Staff are required to complete an annual conflicts of interest declaration	57	35
A fraud risk assessment has been undertaken within the past three years	35	18
Council has a fraud control plan	54	37
Fraud awareness training is provided for all staff (at least every three years)	50	35
Fraud control health check was completed (within the last three years)	50	39
Staff are required to sign off on the code of conduct annually	25	8

² A total of 88 out of 128 local councils in New South Wales participated in the fraud control survey.

Most councils have policies and processes to manage gifts and benefits

Effective management of gifts and benefits helps to minimise real or perceived integrity and reputational risks. In the Local Government sector, there is a Model Code of Conduct (Model Code), which sets the minimum standards of conduct for council officials in relation to the receipt of gifts and benefits.

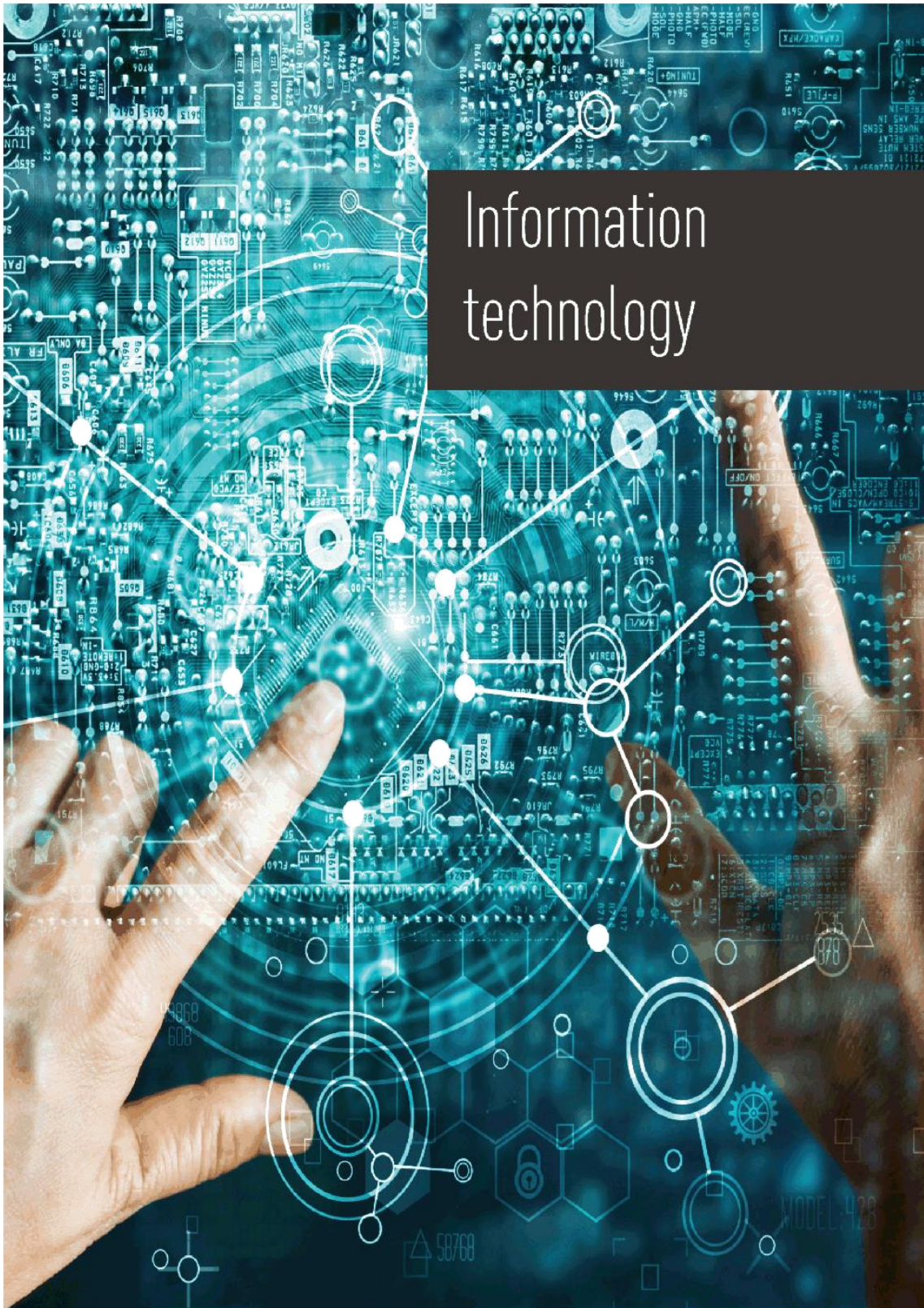
Our review found most councils had sound policies, transparent record keeping and communication activities to manage gifts and benefits.

Gifts and benefits management	%
Gifts and benefits policy covers the Mayor and the Councillors	97
Gifts and benefits policy outlines the approval process for accepting gifts or benefits	96
Gifts and benefits policy is included in the induction process for new staff	93
Council has a gifts and benefits policy	93
Gifts and benefits register captures key information	90
Council maintains a central register for gifts and benefits declaration	89
Council has a business ethics statement that communicates expected behaviours to suppliers and contractors	83
Gifts and benefits policy was last updated within the past three years	71

While most councils have sound policies and processes to manage gifts and benefits, we noted some instances of non-compliance with Part 6 of the Model Code.

Twenty per cent of councils accepted cash-like gifts and benefits, which is not allowed under section 6.5 of the Model Code, regardless of the amount.

Cash-like gifts include, but are not limited to gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets or memberships or entitlements to discounts not available to the public or a broad class of persons.



Information technology

4. Information technology

Councils rely on information technology (IT) to deliver services and manage information. While IT delivers considerable benefits, it also presents risks that council needs to address.

In prior years, we reported that councils need to improve IT governance and controls to manage key financial systems. This chapter outlines the progress made by councils in the management of key IT risks and controls, with an added focus on cyber security.

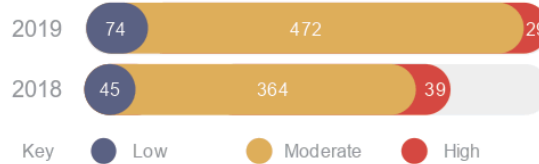
Section highlights

- We continue to report deficiencies in information technology controls, particularly around user access management. These controls are key to ensuring IT systems are protected from inappropriate access and misuse.
- Many councils do not have IT policies and procedures and others do not identify, monitor or report on IT risks.
- Cyber security management requires improvement, with some basic elements of governance not yet in place for many councils.

4.1 High risk issues

Our audits identified 575 issues related to information technology (2017–18: 448 issues). Sixty-eight per cent related to user access management (2017–18: 60 per cent).

While the total number of IT control deficiencies reported in our management letters has increased compared with the prior year, the total number of high risk issues have decreased.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

High risk issues were reported at the following councils which related to one or more IT processes:

	Number of IT high risk issues	IT policies and procedures	IT risk management	User access management	Segregation of duties conflict	Privileged user access	Password configuration	System implementation
Bayside Council*	4			✗		✗	✗	✗
Bellingen Shire Council	3	✗						
Blue Mountains City Council	1					✗		
Fairfield City Council	1					✗		
Greater Hume Shire Council	1					✗		
Hay Shire Council	2	✗				✗		
Hilltops Council	1	✗						
Lake Macquarie City Council	4	✗		✗			✗	✗
Liverpool Plains Shire Council	2			✗				
Maitland City Council	2	✗	✗		✗			
Murrumbidgee Council	1	✗						
Newcastle City Council	1	✗	✗					
Port Stephens Council	4	✗	✗		✗			✗
Uralla Shire Council	1					✗		
Woolahra Municipal Council	1				✗	✗		

* The high risk issues relate to the 2017–18 audit of Bayside Council. The audit opinion for the 2018–19 audit was disclaimed, and an IT management letter was not issued.

Source: Interim and final management letters for 30 June 2019 audits.

The high-risk issues above are related to:

- lack of key IT policies and procedures
- lack or minimal IT risk management activities
- user access reviews over key financial systems not performed
- shared user accounts
- segregation of duties not properly enforced in the key financial systems
- privileged user access not being adequately restricted and monitored to identify suspicious or unauthorised activity
- weak password configurations
- system implementation with missing documentation, sign offs and unresolved defects.

Overall IT control deficiencies identified in 30 June 2019 audits can be grouped into the following areas:

- IT governance
- IT general controls, including user access management, program change management, disaster recovery planning
- cyber security management.

We provide further commentary on each of these areas below.

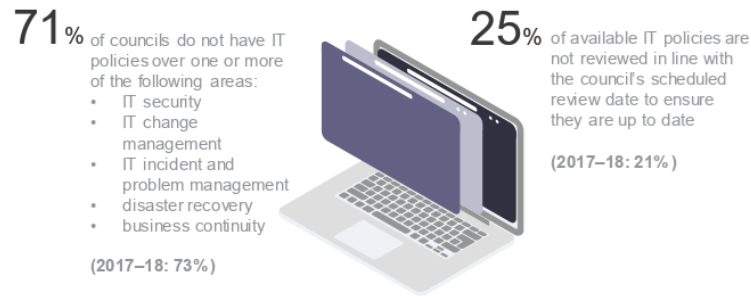
4.2 IT governance

IT governance provides a structure to enable councils to effectively manage their IT risks and ensure associated activities are aligned to achieve their objectives.

IT policies are not formalised or kept up-to-date

It is important that key IT policies are formalised and regularly reviewed to ensure emerging risks are considered and policies are reflective of changes to the IT environment. Lack of formal IT policies and procedures may result in inconsistent and inappropriate practices and an increased likelihood of inappropriate access to key systems.

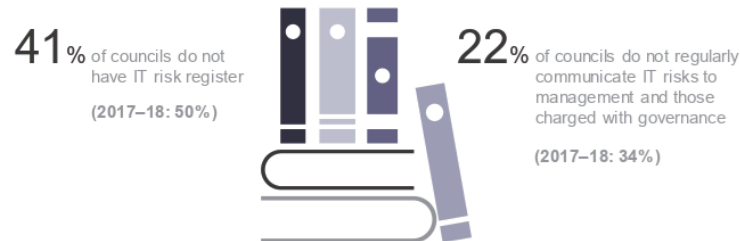
There has not been much improvement in councils formalising their IT policies and ensuring they are regularly reviewed.



More councils are identifying, monitoring and reporting IT risks

Councils should identify and communicate risks arising from the use of IT to those charged with governance, so they are aware of the risks and able to respond appropriately within an acceptable timeframe.

More councils are identifying, monitoring and reporting on IT risks.



4.3 IT general controls

IT general controls are the procedures and activities designed to ensure confidentiality and integrity of systems and data. These controls underpin the integrity of financial reporting.

Our financial audits involved the review of IT general controls relating to key financial systems supporting the preparation of council's financial statements, addressing:

- user access management
- privileged user access restriction and monitoring
- system software acquisition, change and maintenance
- disaster recovery planning.

We did not review all council IT systems. For example, IT systems used to support service delivery are generally outside the scope of our financial audit. However, councils should consider the relevance of our findings below to these systems.

User access management

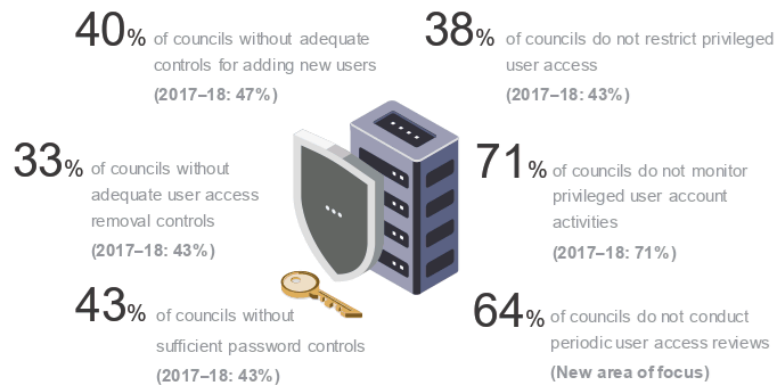
User access management of IT systems is improving

Information technology is essential to how councils deliver services. While IT can improve service delivery, the growing dependency on technology means councils face risks of unauthorised access and misuse.

Key areas of effective user access management are:

- appropriate approvals for new access, and changes of access to IT systems
- timely removal of access to IT systems
- strong password controls to avoid user access being compromised
- periodic user access review to identify any inappropriate access
- restriction of privileged access to appropriate staff
- monitoring of privileged access activities.

The councils have improved their access management processes. However, further improvements are required for monitoring of privileged user account activities and periodic user access reviews.



Program change management

Controls over IT system changes need to improve

Changes to IT programs and related infrastructure components need to be authorised prior to implementation. This ensures changes are appropriate and in line with business requirements.

Weak system change controls expose councils to the risk of:

- unauthorised and/or inaccurate changes to systems or programs
- issues with data accuracy and integrity
- unintended changes to how programs process or report information
- errors in financial reporting.

Councils have not improved their change management controls over IT systems compared with the prior year.

36% of councils do not have segregation of duties between the developer and the implementer of the change
(2017-18: 36%)

33% of councils are implementing changes to systems without appropriate approval
(2017-18: 23%)



Disaster recovery planning

Disaster recovery planning and testing need to improve

Disaster recovery planning (DRP) helps councils to minimise the disruption to operations in the event of a major systems outage or other disaster. Without detailed analysis and planning, councils may not be able to predict the impact of disruption, identify maximum tolerable outages, or successfully recover critical systems in the event of a disaster.

Some councils do not have an adequate and current DRP.

31% of councils have not formalised and approved the DRP

28% of councils with formal DRP have not recently reviewed it

55% of councils with formal DRP have not tested the plan with sufficient regularity



4.4 Cyber security management

Council's response to cyber security risks can improve

At a State Government level, the NSW Cyber Security Policy states that 'strong cyber security is an important component of the NSW Digital Government Strategy. The term cyber security covers all measures used to protect systems and information processed, stored or communicated on these systems from compromise of confidentiality, integrity and availability'. While there is currently no requirement for councils to comply with the State Government's cyber security policy, councils may find it useful to refer to the policy for further guidance.

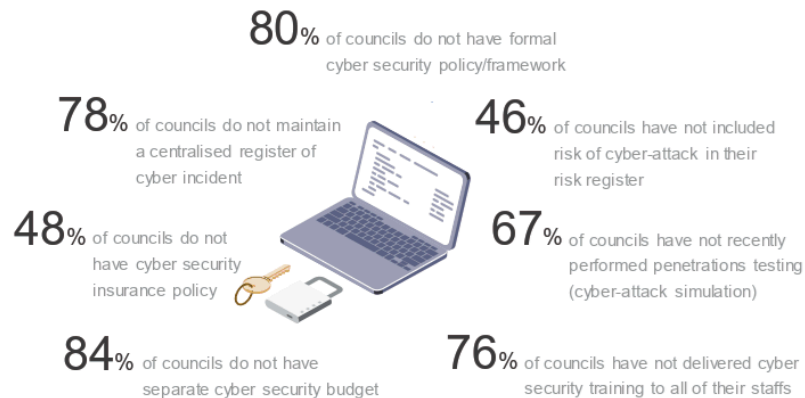
Recommendation

The Office of Local Government within the Department of Planning, Industry and Environment should develop a cyber security policy by 30 June 2021 to ensure a consistent response to cyber security risks across councils.

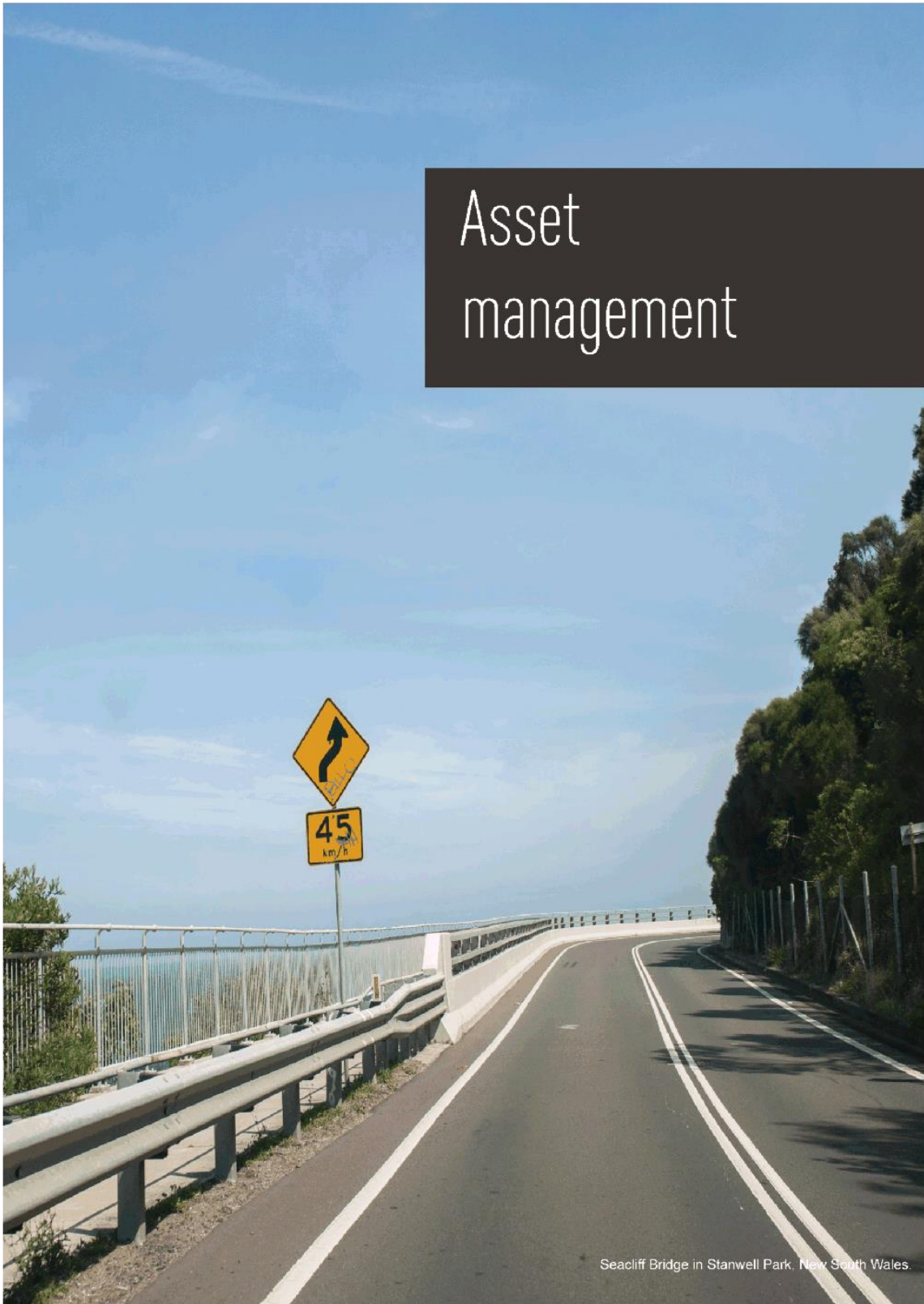
Poor management of cyber security can expose councils to a broad range of risks, including financial loss, reputational damage and data breaches. The potential impacts may include:

- theft of corporate and financial information and intellectual property
- theft of money
- denial of service
- destruction of data
- costs of repairing affected systems, networks and devices
- legal fees and/or legal action from losses arising from denial-of-service attacks causing system downtime in critical systems
- third-party losses when personal information stored on government systems is used for criminal purposes.

We performed a high-level assessment to determine whether councils have the basic governance and internal controls to manage cyber security.



Councils' cyber security management requires improvement, as most councils are yet to implement the basic elements of governance, such as a cyber security policy or framework. This will continue to be an area of focus, with an upcoming performance audit planned on cyber security post 30 June 2020.



5. Asset management

Councils are responsible for managing a significant range of assets to deliver services on behalf of the community.

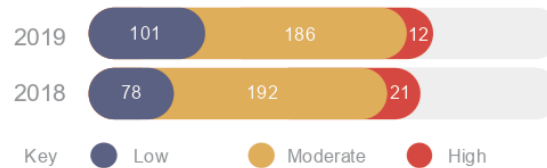
This chapter outlines our asset management observations across councils and joint organisations.

Section highlights

- There was an increase in the total number of issues reported in our management letters for asset management processes.
- There were less high-risk issues reported compared to the previous year.
- We continue to identify discrepancies between the council's Crown land asset records and the Crown Land Information Database (CLID) managed by the former Department of Industry (DOI).
- Inconsistent practices remain across the Local Government sector in accounting for landfill sites.

5.1 High risk issues

Our audits identified 299 issues related to asset management (2017–18: 291 issues). There was a reduction in high risk matters reported in our management letters compared to the previous year.



Source: Interim and final management letters for 30 June 2019 and 30 June 2018 audits.

5.2 Asset management systems

Asset management systems record key data on councils' infrastructure, property, plant and equipment. Maintaining accurate and up to date asset data helps council in making appropriate decisions around asset management.

Our audits identified 107 issues related to councils' asset management systems (2017–18: 66 issues). Twenty-four per cent were repeat issues.

High risk issues were reported at the following councils:

Council	Description
Bayside Council (two high risk issues)	Data quality issues were identified within the asset management system. Assets were also incorrectly classified, revaluation outcomes and disposed assets were not adjusted in a timely manner and an impairment assessment was not performed for some assets.
Dungog Shire Council	Fixed assets register is maintained in excel spreadsheets and reconciled with the general ledger at year-end. The reconciliation practice delayed the financial reporting process.
Lockhart Shire Council	Costs were incorrectly capitalised, asset register included assets previously disposed, and asset reconciliation was not performed.
Midcoast Council	The fixed asset register was not updated until year-end. This impacted the timing of depreciating the assets.

Common issues classified as moderate or low risk include:

- non-timely recognition of asset movements in the asset register
- excel spreadsheets storing asset data outside asset management systems without any controls to protect the data integrity
- assets in use not capitalised on a timely basis
- asset registers not being reconciled with the asset management system
- assets recorded in the incorrect asset classes in the asset registers
- asset registers with duplicate assets
- multiple asset registers maintained to record various asset classes
- physical verification of property, plant and equipment is not performed regularly.

5.3 Asset valuation processes

Our audits identified 67 issues related to councils' asset valuation processes (2017–18: 50 issues). Twenty per cent were repeat issues.

High risk issues were reported at the following councils:

Council	Description
Cootamundra-Gundagai Regional Council	Lack of sufficient information to support the componentisation of assets.
Inner West Council	Management did not perform quality assurance review of the asset valuation outcomes resulting in errors in the financial statements.
Berrigan Shire Council	Key assumptions and methodology supporting the comprehensive valuation of roads assets were not documented. The workpapers to support the valuation of water and sewerage were not reconciled and significant misstatements were identified.
Murray River Council	Council did not conduct a regular re-assessment of the carrying values of infrastructure assets to ensure they did not materially differ from fair values post amalgamation in 2017. When council conducted a revaluation of transportation assets in 2019 it identified a material prior period error which was mainly due to developer contributed assets and found assets.

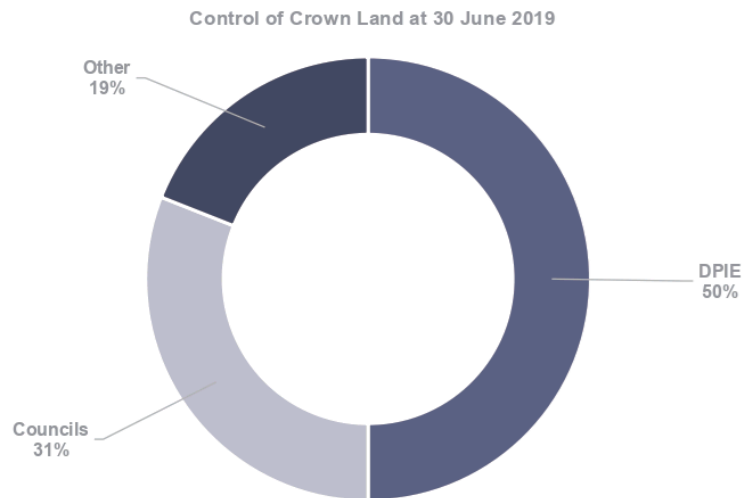
The Australian Accounting Standards require carrying values of infrastructure, property, plant and equipment assets to be reassessed with sufficient regularity to ensure they don't materially differ from fair values. If carrying values are not regularly assessed, it may result in significant errors in the financial statements.

Common issues classified as moderate or low risk include:

- lack of formal re-assessment of the carrying values of infrastructure assets with sufficient regularity
- absence of quality review procedures over the asset valuation outcomes
- remaining useful life of infrastructure assets not being reviewed annually or supported by regular condition assessments
- assets are not appropriately componentised into significant depreciable components
- absence of a suitable methodology to allocate indirect costs to assets capitalised.

5.4 Recognition of Crown land

The former DOI was responsible for overseeing the management of NSW Crown land, which is estimated to cover approximately 42 per cent of the State. Crown land includes parks, reserves, roads and cemeteries. Parcels of Crown land are managed and controlled by Local Government and other private sector organisations, including corporations and statutory bodies. The Department of Planning, Industry and Environment (DPIE) now maintains the Crown Land Information Database (CLID), which records various details about the State's Crown land and the respective Crown land manager.



Source: Crown Land Information Database (unaudited).

A high risk issue was reported at the following council:

Council	Description
Edward River Council	Crown Land records did not reconcile with the Crown Land Information Database (CLID). Council did not complete the review of discrepancies by the agreed deadline. The issue was noted during the interim phase of the audit and was resolved before the audit was completed.

We continue to identify discrepancies between the CLID and councils' Crown land records

In the prior year, we reported discrepancies between councils' Crown land records and the CLID.

On 1 July 2018, the former DOI launched an online portal to enable councils to query Crown land data. The portal provides councils with information on Crown land where they are identified as the manager in CLID.

Since the launch of the online portal, Councils compared their Crown land records with the CLID and identified prior period errors in councils' 2018–19 financial statements. For the completed 2018–19 financial statements audits of local councils, the corrections resulted in a \$201 million increase in Crown land assets recognised by nine councils.

In November 2018, the former DOI commenced the implementation of CrownTracker as a replacement system for CLID. The DOI advised the key differences include:

- spatial information will be captured in CrownTracker, which was previously imported and reconciled with CLID
- a modern case management module which aims to improve delays in updating changes
- integration with SAP and reporting tools to assist with financial reporting
- an external portal for non-council Crown Land Managers to lodge financial reports.

The project is due for completion by 30 June 2021.

Our 2019 Planning, Industry and Environment Report to Parliament recommended the DPIE ensure the Crown land database is complete and accurate so state agencies and local councils are better informed about the Crown land they control.

5.5 Accounting for landfill rehabilitation

Councils manage landfill sites, which are in-ground facilities for the safe and secure disposal of waste. As landfill operators, councils have a legal obligation to monitor and provide aftercare for closed landfill sites for an extended period after their closure. This requires councils to comply with the requirements of the *Protection of the Environment Operations Act 1997* and the standard landfill rehabilitation accounting practices. These include accounting for landfill cell costs, the landfill site land asset, rehabilitation obligations and the long-term management of landfill sites in accordance with the licensing requirements of the EPA.

Accounting for landfill remediation provision is inconsistent across councils

Australian Accounting Standards require a provision for landfill remediation when the obligation to operate landfill sites would result in cash outflows for the council, and it can be reliably measured. Such provisions should be annually reassessed for changes in assumptions, legal requirements and emergence of new landfill remediation techniques.

Our review of Councils landfill rehabilitation accounting practices identified high-risk issues at the following councils:

Council	Description
Snowy Monaro Regional Council	Council was unable to reliably measure the future cost of rehabilitating closed landfill sites due to the uncertainty of the cost estimates, potential changes in legal requirements, nature of site disturbance and emergence of new landfill remediation techniques. Councils obligation to rehabilitate the closed site was disclosed as a contingent liability in the 2018–19 financial statements.
Liverpool Plains Shire Council	Council was unable to adequately identify disturbed landfill areas and accurately calculate the future cost of its rehabilitation. In addition, the council does not have a formalised landfill management plan as required by the EPA Act.

Twenty councils have not formalised landfill management plans. Of the councils with a formalised plan, 27 have not reviewed the plans within the last two years.

Fifteen councils did not re-assess the appropriateness of their future landfill rehabilitation costs. Of the councils that undertook the reassessment, we observed the following inconsistencies:

Assessment of landfill rehabilitation costs	Number of councils
Potential cash inflows to reduce the future costs of landfill rehabilitation obligation for the landfill sites were not considered. For example, tipping fees.	42
Post closure rehabilitation costs for landfill sites were not considered.	29
The asset's carrying value was not tested for impairment.	20
Completeness and reasonability of the data used to calculate the landfill rehabilitation provision was not re-assessed.	14
A corresponding asset against its landfill site rehabilitation obligation was not recorded.	8
Remaining useful lives of the landfill sites were not re-assessed.	8
Future landfill rehabilitation obligations were not reported in the 2018–19 financial statements.	5



Appendix one – Response from the Office of Local Government within the Department of Planning, Industry and Environment



Office of
Local Government

5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference: A891830
Your Reference: D2002775
Contact: Stephen Walker
Phone: 02 4428 4166

Ms Margaret Crawford
Auditor General of New South Wales
GPO Box 12
Sydney NSW 2001

By email: mail@audit.nsw.gov.au

Dear Auditor General

Thank you for your letter of 17 February 2020 and for the opportunity to respond to your *Report on Local Government 2019*. The Office of Local Government (OLG) has reviewed the report and liaised with Audit Office staff about the content. I would like to recognise the contribution of the Audit Office towards strengthening governance, financial management and reporting in the local government sector.

I note your recommendation on cyber security management. I understand that some councils are aware of this matter and have already taken steps to ensure that IT systems have appropriate cyber security protocols in line with the July 2019 NSW *Cyber Security Policy*. OLG commits to working with other agencies within the NSW Government and also the local government sector to identify the best way to address this issue.

I would like to acknowledge the significant work done by the Audit Office in undertaking the 2018-19 financial audits. In addition, the work completed in relation to fraud controls to date is of great importance to the sector, and it is encouraging to see that councils have improved their fraud control systems in the last year. Clearly there is still work to be done, and OLG will continue to support councils and the Audit Office in this key focus area.

I note the report this year specifically names councils which have been identified as having high risk issues in a number of audit areas. I am advised that the Audit Office has ensured that the relevant councils have been notified about these matters in management letters and are also aware that they will be mentioned within your report.

Throughout the past year OLG has worked towards addressing the recommendations from your *Report on Local Government 2018*, with particular regard to councils' compliance with asset management requirements of the *Local Government Act 1993* and Reporting Guidelines issued by OLG. OLG continues to work with councils on asset management issues and monitors comparative asset ratio performance on an annual basis. I am advised that there

T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 44 913 630 046



Strengthening local government

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has been improvement compared to previous years in the number of councils which have in place the necessary asset management strategy, policy and plan.

I am pleased to see that the number of high-risk issues has decreased and councils have addressed the governance and internal controls recommendation from the 2018 report.

I am encouraged by the partnership between OLG and the Audit Office and look forward to continuing this important work to ensure that both local and state government work together to best serve local communities in NSW.






Yours sincerely



Tim Hurst
Deputy Secretary
Local Government, Planning and Policy

28/2/20

Appendix two – Status of 2018 recommendations








Recommendation	Current status
Governance and internal controls	
Councils should reduce risk by addressing high-risk findings as a priority.	The number of high risk issues reported in our management letters has decreased. 
Asset management	
Councils' asset management policy, strategy and plan should comply with the requirements of the <i>Local Government Act 1993</i> and the Integrated Planning and Reporting Guidelines issued by the OLG.	Our 2018–19 audits identified five councils without an asset management strategy, policy and plan. This has improved compared with the prior year. 
Key	 Fully addressed  Partially addressed  Not addressed







































Appendix three – Status of audits

Below is a summary of the status of the 2018–19 financial statement audits, including the type of audit opinion and the date it was issued.

2018–19 audits

Key

Type of audit opinion	Date of audit opinion
Unmodified opinion	 Financial statements were lodged by the statutory deadline of 31 October 2019 
Unmodified opinion with emphasis of matter	 Extensions to the statutory deadline (and met) 
Modified opinion: Qualified opinion, an adverse opinion, or a disclaimer of opinion	 Financial statements not submitted as at tabling date 
	Extension to the statutory deadline (approval not obtained from OLG for the extension) 

Local Council/Joint Organisation	Type of opinion	Date of audit opinion
Albury City Council	Unmodified	 28 October 2019 
Armidale Regional Council	Unmodified	 31 October 2019 
Ballina Shire Council	Unmodified	 24 October 2019 
Balranald Shire Council	Unmodified	 28 October 2019 
Bathurst Regional Council	Unmodified	 29 October 2019 
Bayside Council	Modified	 16 January 2020 
Bega Valley Shire Council	Unmodified	 28 February 2020 
Bellingen Shire Council	Unmodified	 28 October 2019 
Berrigan Shire Council	Unmodified	 15 November 2019 
Blacktown City Council	Unmodified	 30 October 2019 
Bland Shire Council	Unmodified	 25 October 2019 
Blayney Shire Council	Unmodified	 16 October 2019 
Blue Mountains City Council	Unmodified	 18 October 2019 
Bogan Shire Council	Unmodified	 8 October 2019 
Bourke Shire Council	Unmodified	 24 September 2019 
Brewarrina Shire Council	Unmodified	 23 October 2019 
Broken Hill City Council	Unmodified	 22 October 2019 
Burwood Council	Unmodified	 16 October 2019 
Byron Shire Council	Unmodified	 24 October 2019 

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Local Council/Joint Organisation	Type of opinion	Date of audit opinion	
Cabonne Council	Unmodified	21 October 2019	✓
Camden Council	Unmodified	9 October 2019	✓
Campbelltown City Council	Unmodified	18 September 2019	✓
Canberra Regional Joint Organisation	Unmodified	27 November 2019	✓
Canterbury-Bankstown Council	Unmodified	28 October 2019	✓
Carrathool Shire Council	Unmodified	25 October 2019	✓
Central Coast Council	Unmodified	28 February 2020	✓
Central Darling Shire Council	Unmodified	28 November 2019	✓
Central NSW Joint Organisation	Unmodified	25 October 2019	✓
Cessnock City Council	Unmodified	22 October 2019	✓
City of Canada Bay Council	Unmodified	24 October 2019	✓
City of Parramatta Council	Unmodified	29 October 2019	✓
City of Sydney Council	Unmodified	30 October 2019	✓
Clarence Valley Council	Unmodified	29 October 2019	✓
Cobar Shire Council	Unmodified	29 October 2019	✓
Coffs Harbour City Council	Unmodified	25 October 2019	✓
Coolamon Shire Council	Unmodified	20 September 2019	✓
Coonamble Shire Council	Unmodified	28 October 2019	✓
Cootamundra-Gundagai Regional Council	Unmodified	28 February 2020	✓
Cowra Shire Council	Unmodified	24 October 2019	✓
Cumberland Council	Unmodified	30 October 2019	✓
Dubbo Regional Council	Unmodified	28 November 2019	✓
Dungog Shire Council	Unmodified	29 November 2019	✓
Edward River Council	Unmodified	31 October 2019	✓
Eurobodalla Shire Council	Unmodified	31 October 2019	✓
Fairfield City Council	Unmodified	23 October 2019	✓
Federation Council	Unmodified	29 October 2019	✓
Forbes Shire Council	Unmodified	16 October 2019	✓
Georges River Council	Unmodified	27 September 2019	✓
Gilgandra Shire Council	Unmodified	23 October 2019	✓
Glen Innes Severn Council	Unmodified	30 October 2019	✓
Goulburn Mulwaree Council	Unmodified	25 October 2019	✓
Greater Hume Shire Council	Unmodified	04 October 2019	✓
Griffith City Council	Unmodified	23 October 2019	✓

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Local Council/Joint Organisation	Type of opinion	Date of audit opinion	
Gunnedah Shire Council	Unmodified	10 October 2019	✓
Gwydir Shire Council	Unmodified	21 October 2019	✓
Hawkesbury City Council	Unmodified	24 October 2019	✓
Hay Shire Council	Unmodified	10 October 2019	✓
Hilltops Council			!
Hornsby Shire Council	Unmodified	15 October 2019	✓
Hunter's Hill Council	Unmodified	23 October 2019	✓
Hunter Joint Organisation	Unmodified	16 September 2019	✓
Illawarra Shoalhaven Joint Organisation	Unmodified	4 December 2019	—
Inner West Council	Unmodified	31 October 2019	✓
Inverell Shire Council	Unmodified	30 October 2019	✓
Junee Shire Council	Unmodified	18 October 2019	✓
Kempsey Shire Council	Unmodified	21 November 2019	✓
Kiama Municipal Council	Unmodified	20 December 2019	✓
Ku-ring-gai Council	Unmodified	18 September 2019	✓
Kyogle Council	Unmodified	29 October 2019	✓
Lachlan Shire Council	Unmodified	31 October 2019	✓
Lake Macquarie City Council	Unmodified	31 October 2019	✓
Lane Cove Municipal Council	Unmodified	25 October 2019	✓
Leeton Shire Council	Unmodified	29 October 2019	✓
Lismore City Council	Unmodified	28 November 2019	✓
Lithgow City Council	Unmodified	29 October 2019	✓
Liverpool City Council	Unmodified	28 October 2019	✓
Liverpool Plains Shire Council	Unmodified	29 November 2019	✓
Lockhart Shire Council	Unmodified	4 December 2019	✓
Maitland City Council	Unmodified	26 November 2019	✓
Mid North Coast Joint Organisation	Unmodified	04 November 2019	—
Mid-Coast Council			!
Mid-Western Regional Council	Unmodified	29 October 2019	✓
Moree Plains Shire Council	Unmodified	21 November 2019	✓
Mosman Municipal Council	Unmodified	03 October 2019	✓
Murray River Council	Unmodified	19 December 2019	✓
Murrumbidgee Council			!
Muswellbrook Shire Council	Unmodified	29 October 2019	✓

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Local Council/Joint Organisation	Type of opinion	Date of audit opinion	
Nambucca Shire Council	Unmodified	21 October 2019	✓
Namoi Joint Organisation	Unmodified	29 October 2019	✓
Narrabri Shire Council	Unmodified	31 January 2020	⚠
Narrandera Shire Council	Unmodified	05 September 2019	✓
Narromine Shire Council	Unmodified	28 October 2019	✓
New England Joint Organisation	Unmodified	02 September 2019	✓
Newcastle City Council	Unmodified	11 October 2019	✓
North Sydney Council	Unmodified	29 October 2019	✓
Northern Beaches Council	Unmodified	25 September 2019	✓
Northern Rivers Joint Organisation	Unmodified	13 November 2019	⚠
Oberon Council	Unmodified	24 October 2019	✓
Orana Joint Organisation	Unmodified	30 September 2019	✓
Orange City Council	Unmodified	29 October 2019	✓
Parkes Shire Council	Unmodified	26 November 2019	⚠
Penrith City Council	Unmodified	24 September 2019	✓
Port Macquarie-Hastings Council	Unmodified	24 October 2019	✓
Port Stephens Council	Unmodified	29 October 2019	✓
Queanbeyan-Palerang Regional Council	Unmodified	25 October 2019	✓
Randwick City Council	Unmodified	09 October 2019	✓
Richmond Valley Council	Unmodified	23 October 2019	✓
Riverina and Murray Joint Organisation	Unmodified	08 November 2019	⚠
Riverina Joint Organisation	Unmodified	25 October 2019	✓
Ryde Council, City of	Unmodified	30 October 2019	✓
Shellharbour City Council	Unmodified	31 October 2019	✓
Shoalhaven City Council	Unmodified	31 October 2019	✓
Singleton Council	Unmodified	22 October 2019	✓
Snowy Monaro Regional Council	Unmodified	30 October 2019	✓
Snowy Valleys Council	Unmodified	25 October 2019	✓
Strathfield Municipal Council	Unmodified	02 October 2019	✓
Sutherland Shire Council	Unmodified	22 October 2019	✓
Tamworth Regional Council	Unmodified	27 November 2019	⚠
Temora Shire Council	Unmodified	18 October 2019	✓
Tenterfield Shire Council	Unmodified	22 October 2019	✓
The Hills Shire Council	Unmodified	06 September 2019	✓

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Local Council/Joint Organisation	Type of opinion	Date of audit opinion	
Tweed Shire Council	Unmodified	26 November 2019	✓
Upper Hunter Shire Council	Unmodified	31 October 2019	✓
Upper Lachlan Shire Council	Unmodified	31 October 2019	✓
Uralla Shire Council	Unmodified	24 October 2019	✓
Wagga Wagga City Council	Unmodified	28 October 2019	✓
Walcha Council	Unmodified	21 October 2019	✓
Walgett Shire Council	Unmodified	28 November 2019	✓
Warren Shire Council	Unmodified	16 October 2019	✓
Warrumbungle Shire Council	Unmodified	29 October 2019	✓
Waverley Council	Unmodified	25 October 2019	✓
Weddin Shire Council	Unmodified	23 October 2019	✓
Wentworth Shire Council	Unmodified	28 October 2019	✓
Willoughby City Council	Unmodified	24 October 2019	✓
Wingecarribee Shire Council	Unmodified	28 October 2019	✓
Wollondilly Shire Council	Unmodified	30 October 2019	✓
Wollongong City Council	Unmodified	11 October 2019	✓
Woollahra Municipal Council	Unmodified	15 October 2019	✓
Yass Valley Council	Unmodified	23 October 2019	✓

County Council	Type of opinion	Date of audit opinion	
Castlereagh Macquarie County Council	Unmodified	25 November 2019	✘
Central Murray County Council	Unmodified	31 October 2019	✓
Central Tablelands County Council	Unmodified	30 October 2019	✓
Goldenfields Water County Council	Unmodified	04 October 2019	✓
Hawkesbury River County Council	Unmodified	31 October 2019	✓
New England Weeds Authority	Unmodified	29 August 2019	✓
Riverina Water County Council	Unmodified	18 September 2019	✓
Rous County Council	Unmodified	25 October 2019	✓
Upper Hunter County Council	Unmodified	29 October 2019	✓
Upper Macquarie County Council	Unmodified	12 September 2019	✓

Professional people with purpose

OUR VISION

Our insights inform and challenge
government to improve outcomes
for citizens.

OUR PURPOSE

To help parliament hold government
accountable for its use of
public resources.

OUR VALUES

Pride in purpose
Curious and open-minded
Valuing people
Contagious integrity
Courage (even when it's uncomfortable)

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GOVERNMENT 2019

ITEM NO: AUD20/37

Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

PHONE +61 2 9275 7100
FAX +61 2 9275 7200

mail@audit.nsw.gov.au

Office hours: 8.30am-5.00pm



audit.nsw.gov.au



**DUBBO REGIONAL
COUNCIL**

REPORT: Audit and Risk Management Committee Action List (General Items)

AUTHOR: Internal Auditor
REPORT DATE: 19 February 2020
TRIM REFERENCE: ID20/104

EXECUTIVE SUMMARY

This report enables the Audit and Risk Management Committee to monitor the progress on implementation of requests and recommendations, and in ensuring that outstanding matters are resolved satisfactorily. Where an issue has been raised by the Audit and Risk Management Committee or through the findings of the Internal Auditor, progress will be reported to the Committee until the matter is resolved or the Committee determines it no longer requires updates.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the information within the report of the Internal Auditor dated 19 February 2020, be noted

Peter Browne
Internal Auditor

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/38

BACKGROUND

Where an item is raised in an Internal Audit report, by the Committee or the Internal Auditor considers it is a matter that warrants reporting to the Committee, the item is listed in this report until advice is received that the matter is complete, or that the situation has changed and the item is no longer required. Internal Audit does not routinely confirm that advice from management is balanced and complete.

REPORT

This document is in four parts, as follows:

- A checklist of items that will be provided periodically or in the future. The checklist is a means of ensuring items will not be overlooked and provides the Committee with the opportunity to keep track of what is pending and to add issues requiring action.
- A table detailing items outstanding and providing a short update on where these items are up to.
- A more detailed explanation of any item may be imbedded in this report (below). This is essentially a practical compromise where the format of the update table does not work for the level of detail that is being provided to the Committee.
- Where an item is considered confidential, it will appear in a separate confidential report to the meeting.

Recurring and/or requested items Checklist

Items	Comment
• Committee Meeting Calendar.	This meeting of 27 April 2020 was originally planned for 13 March 2020 and is being conducted via video conferencing due to COVID-19.
• Training for Committee members.	
• Annual pecuniary interests return.	
• Updates on requirements for an Audit Risk and Improvement Committee – State Government requirements to be announced – will take affect from March 2021.	Details below.
• Annual Report to Council on the performance of the Audit and Risk Management Committee.	Draft report from Chair attached for comment.
• Annual Management report on compliance.	
• Risk Management reports from each Division.	
• Annual update on management of fraud risks.	
• Report on Council Payments and Contract Variations if/when a variation is outside policy.	CFO advises no events outside of policy occurred.

AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020

AUD20/38

Internal Audit and Risk Management framework

On 10 September 2019, the Office of Local Government issued documents titled “A new internal audit and risk management framework for local councils in NSW”. The documents included a discussion paper, together with a circular and a short summary of the proposal. The matter was reported to the Audit and Risk Management Committee meeting of 18 November 2019 and subsequently to the Ordinary Council meeting of 25 November 2019.

We understand that over 150 submissions were made to the Office of Local Government concerning their Discussion Paper. The submission from Dubbo Regional Council is appended to this report. It appears that there must be a high level of concern about the mechanics of the new proposals and the level of consultation that has preceded it. One of the proposals being carefully considered is the suggestion for prequalification process where the State Government would assess the qualifications of potential Audit Committee members. In regard to that issue, the Office of Local Government is asking councils not to take any action at this time and to wait for further clarification. In February 2020, the planned timetable seemed to be for another round of consultation around July 2020, with regulations at the end of the year. The COVID-19 Legislation Amendment (Emergency Measures) Act 2020 changes the date for the next Local Government Election and as the timetable for the new framework has always been linked to the next election, the new requirements are automatically deferred.

Appendices:

- 1 [↓](#) ARMC Action List - Normal Components - February 2020 Progress
- 2 [↓](#) Letter to OLG - Comments on Discussion Paper on Audit and Risk
- 3 [↓](#) ARMC 2019 Annual Report

APPENDIX NO: 1 - ARMC ACTION LIST - NORMAL COMPONENTS - FEBRUARY 2020 PROGRESS

ITEM NO: AUD20/38

Issue or Recommendation	Original Response	Time frame	Current Status
S94 (April 2011)			
<p>Some developer contribution plans are overdue for a review. Update developer contributions plans</p> <p>1 It is recommended that contribution rates be reviewed in line with industry practice</p>	<p>Director Environmental Services: It is noted that Council Policy determines the procedure for the initiation of review s or new plans as including allowance for an annual adjustment and advice of the need for the review or amendment by appropriate Directors to Director Environmental Services.</p> <p>The programming of any review based on such advice would need to have a comprehensive regard for the existing program and projected workload and priorities for the Building and Development Services Branch.</p>	<p>Previous: Mar 2020</p> <p>Revised: t.b.d.</p> <p>n/a</p> <p>Previous: Jul 2020</p> <p>Revised: March 2021</p>	<p>Manager Growth Planning: <i>Roads and Car Parking:</i> This project remains on hold whilst Dubbo Regional Council considers its strategic position in respect of the North Bridge or River Street Bridge project in North Dubbo.</p> <p>Following Council’s deliberations in respect of the Bridge project, a further update of the project plan will be prepared for the Committee.</p> <p><i>Open Space and Recreation</i> Completed - new plan adopted 22/6/2016. Strategic Planning Services now working with Parks on a new work schedule for review of the Plan.</p> <p><i>Review of s64 Water and Sewer</i> An initial Operational review of the s64 Water and Sewer Policy has been undertaken with the State Government Office of Water. It appears that Council will be required to prepare a whole new Plan. Currently working with Infrastructure and Operations towards finalisation of strategic business plan for water and sewer, prior to leading into a new S64 Plan.</p>

APPENDIX NO: 1 - ARMC ACTION LIST - NORMAL COMPONENTS - FEBRUARY 2020 PROGRESS

ITEM NO: AUD20/38

Issue or Recommendation	Original Response	Time frame	Current Status
		<p>March 2021</p> <p>n/a</p>	<p><i>Urban Stormwater Drainage</i> South-East sectoral Plan complete New Stormwater Developer Contributions Plan for other sectors will not commence preparation until early next year based on other contribution priorities. Plan process will also need to commence with a background stormwater study and review, which will be undertaken on behalf of Infrastructure and Operations Division.</p> <p><i>s94A - Former Wellington Council -</i> Initial review of the Plan undertaken in 2018. Plan found to be operating appropriately for the Wellington community. No further action required at this time.</p>
<p>Developer contributions register lacking important details to facilitate efficient identification of entries.</p> <p>4 Ensure that all necessary information is correctly captured in developer contributions registers (various items mentioned as possible improvements)</p>	<p>Director Environmental Services: A team has already been formed to look at implementing actions that should meet the above recommendations. It is hoped to implement the changes for the commencement of the 2010/11 financial year.</p>	<p>Previous: Dec 2019</p> <p>Revised: July 2020</p>	<p>Manager Growth Planning: Finance have been undertaking this project on behalf of Council. It is understood that the current status of the project is that development of Council's contributions register remains ongoing, however, the Register is now up-to-date as at July 2019. Growth Planning in conjunction with Finance will monitor the undertaking of the project and seek consultancy assistance if required.</p> <p>It is aimed to have a Developer Contributions Register that can be placed on Council's website (in accordance with Legislation) by July 2020. 25% complete</p>

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ED19/193218
MM:pb

13 January 2020



Mr Tim Hurst
Deputy Secretary - Local Government Policy and Planning
Department of Planning, Industry and Environment
Via Email - olg@olg.nsw.gov.au

Dear Mr Hurst

INTERNAL AUDIT CONSULTATION

Thank you for the invitation to comment on the discussion paper "A New Risk Management and Internal Audit Framework for Local Councils in NSW". The paper was considered at Council's Audit and Risk Management Committee on 18 November 2019 and by Council on 25 November 2019.

Audit and risk management are important components of an effective governance system and Dubbo Regional Council welcomes the increase in attention being given to these activities. We agree with making audit committees and audit functions compulsory. Council already has an Audit and Risk Management Committee, employs a qualified and experienced Internal Auditor, and has developed a risk based audit program.

Dubbo Regional Council would welcome the opportunity to comment on the draft regulations and guidelines when they are developed. Our comments on the current discussion paper are more about whether the Office of Local Government is on the right path than about whether the right destination will be reached. The discussion paper requested feedback in five categories and these are addressed below.

1. Will the proposed internal audit framework achieve the outcomes sought?

The discussion paper does not define the desired outcomes so we have assumed that the objective is to improve governance of Councils within the framework of local democracy.

- We believe the improvements could be greater if the changes as outlined in this submission are made.

All communications to: **CHIEF EXECUTIVE OFFICER**
ABN 53 539 070 928
PO Box 61 Dubbo NSW 2830
T (02) 6801 4000 **F** (02) 6801 4259 **E** council@dubbo.nsw.gov.au
Civic Administration Building Church St Dubbo NSW 2830
W dubbo.nsw.gov.au



- If the objective is improved governance by the Council, then care is needed to ensure what is delivered is improved Council control (facilitated by the State Government) and not greater State Government control.

.We would understand if the OLG thought it beneficial to prescribe the qualification required for an Audit Risk and Improvement Committee Chairperson. However we believe Councils should have the ability to set their own criteria and decide who is the best candidate (without any restriction whatsoever) for at least some members of the ARIC.

2. What challenges do you see for your council when implementing the proposed framework?

- Dubbo Regional Council expects to be able to implement the requirements within the proposed timeframes but also recognises that there are a large variety of circumstances when all Councils are considered. The proposal seems to be metropolitan-centric and assumes there are no existing arrangements that need unwinding. Some Councils may have great difficulty meeting the timeframes. Our expectation of meeting the timeframe also assumes the State Government will quickly finalise its pre-registration system requirements and evaluate the applicants at least six months prior to the deadlines for Councils to establish ARICs.
- The annual reporting provisions seem to imply that action is required on each of the areas of responsibility (s428A (2)) each year. If that is the actual intention then we draw your attention to the normal timeframes for audit work. Some of the things an Audit Risk and Improvement Committee will be responsible for are normally reviewed on a four year cycle and some are in the nature of “respond when needed”.

Some activity of the Audit Risk and Improvement Committee might be something like a flood evacuation service. The function needs to monitor if action is required and be ready to go when it is needed. However if the legal framework creates an expectation that an evacuation is needed every year, it risks creating work without any real benefit being produced.

3. Does the proposed framework include all important elements of an effective internal audit and risk framework?

- The greatest benefit from the proposals will flow from ensuring Councils have appropriate experts on their Audit, Risk and Improvement Committees and have employed qualified and skilled staff. (Dubbo Regional Council has already achieved this.) . The situations that would most benefit from guidance are those small number of instances where the parties cannot agree. There would be benefit in providing more guidance on the mechanics of how disagreements should be resolved.

4. Is there anything you don't like about the proposed framework?

- The proposed fees to ARIC members seem to be disproportionate to the payments to Councillors. Under the proposal, the Chair of the Audit Risk and Improvement Committee would likely attend 4 meetings a year and is paid an amount each year of similar size to the amount a Councillors might be paid to attend 20 to 40 meetings per year. To fully appreciate the contrast you factor in that the Audit Risk and Improvement Committee gives advice to the Councillors who are the decision makers. If Councils can get individuals to agree to provide services to the community at less than commercial rates then it is unclear why this form of community service is forbidden.
- The preregistration scheme sees the State Government deciding who is suitable to be on the Audit Risk and Improvement Committee and who is not. The current proposal suggests that the criteria for deciding who is suitable is 100% controlled by the State Government and is then applied to 100% of positions. This seems to go beyond the objective of assisting Councils to achieve improved self-governance. The criteria for qualifying under the preregistration scheme would be improved if it were the subject of consultation with the industry. .
- The paper seems to assume there is an abundant supply of fully qualified experts who as well as being expert, have no current involvement in Local Government. It also assumes that local knowledge or any other factor not already included in the preregistration criteria is not particularly important for membership of the Audit, Risk and Improvement Committee. We expect that some Councils will have difficulty recruiting ARIC members and that compromises may need to be made. Such compromises are best considered case by case as what is best will vary from Council to Council. The system as proposed does not seem to have the level of flexibility that would be optimal..
- We recommend that the attestation statements should be signed off by the Council after considering advice from the ARIC. The Council and the ARIC should be free to determine what advice they need from the General Manger. In the currently proposed form the General Manager may be effectively required to certify whether the Council or the ARIC have made any errors. We question the appropriateness of asking the General Manager to evaluate Council decisions and wonder if the output would be of value due to the conflicts of interest inherent in such a process.


5. Can you suggest any improvements to the proposed framework?

- The fundamental nature of the Audit Risk and Improvement Committee should be clearly spelt out. Key to this nature is that it is an advisory committee. The legal framework should require all provisions related to authority of the ARIC are to be interpreted as expressions of the ARICs right to information, right to reasonable assistance, right to be heard and right to protect its access to information. Any provision requiring the ARIC's concurrence should be clearly stated as a requirement to consult not a requirement to gain the ARIC's consent.
- The fundamental purpose of the guidelines should be clearly spelt out. It should clearly enunciate that what is being prescribed is not the workload of the ARIC or what it must do,

but rather the authority of the ARIC and what it is empowered to do. An ARIC should be free to examine the highest risk issues facing Council and to determine for itself what is high risk. Prescribing things the ARIC must look at is likely to have the effect of diminishing the resources available to look at the real high risk issues. Distinction needs to be made between what the committee can look at, what it should look at, and what it must look at.

- The status of the Audit Committee should be separately dealt with in the Act, the Code of Meeting Practice and the Code of Conduct. These documents categorised all individuals as either Councillors, Staff, Contractors or people outside of Council. None of those categories are appropriate for Audit Committee members. In the absence of specific provisions, members of the ARIC are contractors and therefore theoretically under the control of the General Manager.
- The Office of Local Government should consider whether it wants an ARIC managed by the elected Council or if its objectives are better served if the ARIC is managed by the State Government. If the later, then the Office of Local Government might consider if Audit Risk and Improvement Committees would be better structured in a process similar to Local Planning Panels (formerly known as Independent Hearing and Assessment Panels) rather than create yet another variation on structures. If the ARIC is effectively a State Government managed activity it should have a legal structure that avoids confusion about who is running it.

Yours faithfully



Michael McMahon
Chief Executive Officer

1. Introduction

Utilising an audit committee is a common strategy in both public sector and private sector organisations for providing assurance to the governing body that it is getting accurate information about how the organisation is operating. These committees have various names and frequently include responsibilities in addition to pure audit. At Dubbo Regional Council the committee is named the Audit and Risk Management Committee. At many Councils it is named the Audit, Risk and Improvement Committee.

In October 2008, the Department of Local Government issued guidelines for Internal Audit. The covering circular (08-64) includes the following statement:

The combination of an effective audit committee and internal audit function provide a formal means by which councillors can obtain assurance that risk management and internal controls are working effectively

In April 2009 the Bathurst Orange Dubbo (BOD) Alliance formed an Internal Audit service on a shared basis. This shared services model allowed for lessons learned and knowledge gained across the three councils to inform approaches to risk at each council. It also meant that Council effectively had a third of a person as its audit resource. In 2016 the former Dubbo City Council and Wellington Council were merged and the new entity eventually named Dubbo Regional Council. The requirements of the new Council increased the demand on the internal audit function and Council took the decision to employ its own full time Internal Auditor.

2. What does the Audit and Risk Management Committee do?

The responsibilities and duties of the Audit and Risk Management Committee are as determined by Council. The Council must however consider the recommendations of the Office of Local Government (OLG) as detailed in its "Internal Audit Guidelines" (September 2010) when determining the responsibilities and duties of the Committee.

The Audit and Risk Management Committee is an independent advisory Committee assisting the Council to fulfil its governance and oversight responsibilities. The primary duties and responsibilities of the ARMC are to assist the Council to discharge its responsibilities relating to:

- Financial reporting process
- Business ethics, policies and practices
- Management and internal controls
- Monitoring the integrity of the Council's financial reporting practices and finance and accounting compliance
- Reviewing internal controls, key corporate risks and all audit related matters
- Encouraging continuous improvement of Council's systems and practices
- Adoption of the Internal Audit Plan
- The Council's process for monitoring compliance with policies, laws and regulations and the Council code of conduct.

In 2016 amendments to the Local Government Act were made with the obvious intention of making audit committees compulsory and allowing the State Government to prescribe the duties in detail rather than just making suggestions to Council. The changes will not take effect until after the next Local Government elections. In September 2019 the Office of Local Government released a discussion paper titled "A new internal audit and risk management framework for local councils in NSW" which identified what was proposed in moderate detail. That paper is discussed at item 5 below.

3. Membership and meetings

The Council makes all appointments to the ARMC. In making those appointments consideration must be given to the recommendations of the OLG contained in the "Internal Audit Guidelines". The OLG recommends the majority of voting members of the Committee should be independent of Council (not Councillors or staff and not having major business arrangement with Council), and at least one member should have financial qualifications and experience.

During 2019 there were no changes to membership. The non-Councillor voting members' current term expires in November 2020 and the term of the Councillor member expires at the next election.

The ARMC consists of voting and non-voting members. The tables below shows the list of members and schedule of meetings held during the period and the number of meetings attended. Non-voting members of the Committee included the Chief Executive Officer, Director Organisational Performance, and the Internal Auditor. Other staff members such as the Executive Manager Governance and Internal Control and the Chief Financial Officer were invited to attend meetings by the Chief Executive Officer. Representatives of the NSW Audit Office also attend meetings on invitation from the Committee.

3.1. Management Meetings

During the period under review, the Chair met with the Chief Executive Officer to discuss the operations of the ARMC Committee.

3.2. ARMC Meeting Attendance

The table below titled shows the attendance of voting members and other attendees at each scheduled meeting by Council for the period.

Meetings were held on 11 March 2019, 14 June 2019 and on 2 September 2019 and 18 November 2019. All meetings were chaired by Mr J Walkom.

Meeting Attendance	No. of meetings
Clr A Jones	4
J Walkom (Chair)	4
R Gillard	4
Others	
Mayor Shields	1
Chief Executive Officer	1
Internal Auditor	3
Executive Manager Governance and Internal Control	3
Director Organisational Performance	4
Chief Financial Officer	4
Statutory Reporting Accountant	4
Audit Office Representatives (M Monaco, A Green, J Lam, R Antolin) – generally 2 people from the Audit Office attend ARMC meetings via teleconference	3
Luka group representative	1

3.3. Matters considered by ARMC

The ARMC considered the following reports (excluding procedural items):

AUD19/31	Discussion Paper on Risk and Audit released by Office of Local Government (ID19/1361)
AUD19/30	Three Year Audit Program (ID19/1293)
AUD19/29a	Audit and Risk Management Committee Confidential Action Items (ID19/1345)
AUD19/29	Audit and Risk Management Committee Action List (ID19/1344)
AUD19/28	Annual Report of the Audit and Risk Management Committee for the year ended December 2018 (ID19/1407)
AUD19/27	Presentation of Council's 2018/2019 Financial Statements (ID19/1410)
AUD19/23	Audit Interim Management Letter - 2019 (ID19/1148)
AUD19/22	Fraud and Corruption Prevention Policy (ID19/1142)
AUD19/21	Development of three year audit program (ID19/1092)
AUD19/20	Audit and Risk Management Committee Action List as at August 2019 (ID19/1065)
AUD19/19	Internal Audit Report on RMS Drives (ID19/949)
AUD19/18	Referral of the 2018/2019 Financial Statements to Audit (ID19/1147)
AUD19/14	Development of three year audit program (ID19/707)
AUD19/13	Audit and Risk Management Committee Action List as at May 2019 (ID19/604)
AUD19/9	Recruitment of Internal Auditor Position (ID19/231)
AUD19/8	Tender for Brokerage Services and Provision of Insurances (ID19/230)
AUD19/7	Corporate Purchase Card Policy (ID19/229)
AUD19/6	Updated Enterprise Risk Registers - Extreme and High Risks (ID19/228)
AUD19/5	Audit Office of NSW Report on Local Government 2018 (ID19/227)

3.4. Members' self-assessment

Members of the Audit and Risk Management Committee completed a survey of the committee's activity and performance. The same survey also examined the members' satisfaction with Internal Audit. The survey provided positive feedback and agreement that the ARMC was operating very effectively in the bulk of issues examined. Two areas for potential improvement were identified and will be further considered in 2020.

Issues that received very positive feedback included confidence that Internal Audit was focused on the key risks of Council, satisfaction with the management of audit plans, and the quality of ARMC deliberations.

Areas for further attention are:

- ensuring a clear definition and shared understanding of the role of the ARMC, and
- the communication of expected timeframes.

4. ARMC Charter

The ARMC Charter was adopted by the Council at the Council meeting held on 22 June 2009. Normal practice is for the Charter to be reviewed annually and where necessary changes recommended to Council. It was expected that the Office of Local Government would release draft revised guidelines in the first half of 2019 and it seemed prudent to wait for that document before reviewing the charter. What was eventually issued was not a draft set of specific proposed requirements but rather a discussion paper. The paper is discussed below.

5. Changes to the legislative environment

On 10 September 2019 the Office of Local Government published a discussion paper titled "A new internal audit and risk management framework for local councils in NSW". The paper proposes the most significant changes in governance arrangements that have been seen in Local Government for some years. The Audit and Risk Management Committee received a report on this issue which can be found at pages 174 to 268 of the Business Paper of the Ordinary Council meeting of 25 November 2019. The Audit and Risk Management Committee recommended that Council formulate a submission to the Office of Local Government based on the advice in that paper and on advice provided by the Audit and Risk Management Committee. Due to its significance, the primary report to Council (excluding attachments) is appended to this ARMC annual report.

It is understood that the Office of Local Government received over 150 submissions on its discussion paper and that during the first half of 2020 the Office of Local Government will be considering what adjustments might be needed.

6. Internal audit

6.1 Internal Audit appointment

Mr Shephard Shambira CPA was appointed to the position of Internal Auditor for the BOD Alliance in April 2009. This arrangement continued until Dubbo Regional Council appointed its own Internal Auditor (Peter Browne BEc PMIIA CPA) in March 2019.

6.2 Internal Audit Performance

Clause 7.3 of the Internal Audit Activity Charter requires the Committee to review the effectiveness of the Internal Audit function and objectives, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Best practice is for an external review of the Internal Audit Unit at least once every five years. During 2018 O'Conner Marsden and Associates were engaged to audit the auditor.

There was no external review of Internal Audit during 2019. Satisfaction of the Audit and Risk Management Committee members with Internal Audit performance was high as measured in the annual survey.

6.3 Internal Audit Assignments

2019 saw a focus on structures, policy and planning. The Council employed a full time Internal Auditor for the first time and the Office of Local Government foreshadowed that fundamental change may be on its way.

The reporting formats in Internal Audit were redesigned to be self-contained and easier to work with. In the past many reports had been written to meet the immediate needs at the time. Some prior reports needed to be reconstructed into a new format in order to facilitate ongoing progress reporting.

Revised designs recognised that to be efficient on an ongoing basis requires formats that:

- summarise key points so that required actions can be cut and pasted into future reports without losing context
- keep initial conclusions and recommendations in a limited number of columns so that progress can be added without making the format too cluttered
- have numbering systems that do not become confusing when merged into larger documents or when additional detail is added
- have a way to record both progress and changing circumstances without losing logical flow – although the normal pattern is that audit recommendations are implemented, the reporting structure must be able to deal with changing targets and differentiate between a new alternative strategy, a decision that the original plan is actually not affordable or not workable, a decision by management to do more than was recommended, a task that was overlooked and any other change that might occur
- focus on what is yet to be achieved rather than on what has been achieved
- ensure that details of where we are up to remain clear while still reporting on where we have been

An analysis of the risk registers revealed that they were not currently sufficiently mature to form the primary basis for an audit program. This led to a specific risk assessment to inform the audit program. Improvements to the risk registers are also planned for 2020. A three year audit program was developed and is attached to this report.

The discussion paper on audit issued by the Office of Local Government was extensively reviewed. Other policy matters addressed by Internal Audit included development of a Fraud and Corruption Prevention Policy.

6.4 Risk related Audit Plan

The ARMC is responsible to approve the Internal Audit Plan and amendments. The ARMC approved the scope of work covered by the internal audit function during the period. The internal audit plan was aligned with the enterprise wide risk management corporate risk register though, as noted above substantial work occurred augmenting the existing assessment to obtain an optimal audit plan.

6.5 Limitations on Internal Auditor

The committee is not aware of any restrictions placed on the work of the internal auditor.

6.6 Management Responses

The committee's review of all audit reports including unplanned or special reports shows that management responses to audit findings and recommendations are reasonable. The majority of issues arising have been resolved to the satisfaction of the ARMC.

7. External Audit

On 12 May 2016 various legal changes occurred including the formation of Dubbo Regional Council. While the former Councils had responsibility for appointing their external auditors, under the new framework the Auditor General of NSW is Council's auditor. Dubbo Regional Council is one of a small number of Councils where the Auditor General has chosen to use its own staff rather than contract out the audit.

- The ARMC reviewed the audit plan and has maintained contact with the Audit staff.
- The ARMC reviewed information provided by the NSW Audit Office related to weaknesses observed in other organisations and considered if Dubbo Regional Council was at risk of having similar weaknesses.
- The Committee has no concerns with the External Auditor's audit report on Council Financial Statements for the 2018/19 financial year. The Committee discussed the audit work with the Council External Audit Director from the Audit Office NSW and will continue to work with the Audit Office when matters are raised.

8. Risk Management

The ARMC has reviewed Council's risk management strategy, and continues to monitor progress on the implementation of an enterprise wide risk management (ERM) plan.

9. Conclusion

The ARMC has overseen an internal audit and external audit program for the year under review in which the scope and approach to work undertaken has been appropriate and consistent with the current understanding of Council's enterprise wide risk framework.

The ARMC confirms that based on the information provided to the ARMC from management, internal audit and external audit, it is satisfied with the progress of Council's arrangements for governance, risk management, internal control and regulatory compliance.

The areas of responsibility of the ARMC set out in clause 7 of the Audit and Risk Management Committee Charter are managed in conjunction with the internal audit and external audit plans executed during the year.

J Walkom
Chairman

APPENDIX - COUNCIL BUSINESS PAPER 18/11/2019

Item CCL19/213
AUD19/31



REPORT: Discussion Paper on Risk and Audit released by Office of Local Government

AUTHOR: Internal Auditor
REPORT DATE: 19 September 2019
TRIM REFERENCE: ID19/1361

EXECUTIVE SUMMARY

The Office of Local Government released its discussion paper "A New Risk Management and Internal Audit Framework for Local Councils in NSW" on 10 September 2019 and is inviting feedback until 31 December 2019.

It is proposed that a submission be made supporting the general concepts being put forward but suggesting the fine detail could be improved upon with regard to:

- Clarifying how the system works on those odd occasions when the parties do not agree, and clarify who is ultimately responsible. A few responsibilities seem to be with the wrong party.
- While the need for the Audit Committee to be majority independent is recognised, the expectation that every Council can achieve 100% independent membership and simultaneously obtain all the skill sets required is unrealistic.
- The cost of the proposed mechanisms is unnecessarily high.
- An Audit Committee should be free to examine the highest risk issues facing Council and to determine for itself what is high risk. Distinction needs to be made between what the committee can look at, what it should look at, and what it must look at. The paper is not completely clear as to what is in which category but appears to be putting too much in the "must" category.
- The path by which the existing Audit and Risk Management Committee is transformed into or replaced by a new Audit Risk and Improvement Committee does not appear to have been thought through. Longer timeframes may be required.
- The timeframes appear to be based on the amount of time a well resourced city Council would require. The needs of rural areas and the impact of many Councils competing with each other for the same experts does not appear to be adequately considered. Longer timeframes will be required.
- The concepts as proposed could be used by the Office of Local Government to systematically interfere with the routine management of Councils. The State Government should provide assurances and safeguards so that this potential unintended consequence does not occur.

The input of the Audit and Risk Management Committee would assist Council in determining the details of the Discussion Paper.

APPENDIX - COUNCIL BUSINESS PAPER 18/11/2019

Item CCL19/213
AUD19/31

FINANCIAL IMPLICATIONS

There are no financial implications arising from the actions proposed in this report. The financial implications of having to comply with new State Government requirements have not been estimated at this time.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That Council formulate a submission to the Office of Local Government based on the advice in this paper and on advice provided by the Audit and Risk Management Committee.

Peter Browne

Internal Auditor

BACKGROUND

The appendix to the Discussion Paper provides the State Government's view of the history of the regulation of Audit Committees. The introduction provides information on what other jurisdictions are doing in this area. The paper notes that Office of Local Government has been attempting to raise the standard in the areas of Risk and Audit for many years, that there is a wide assembly of experts saying improvement is needed, state government departments have made significant progress in managing their Audit and Risk functions, and that the average outcome of Councils across the state has not yet risen to the required standard.

The predecessors to Dubbo Regional Council had arrangements that in hindsight were not adequately resourced. Since the amalgamation significant work has occurred in this area and our new processes still require a little time to be fully incorporated into routine processes. At the conceptual level this paper mostly proposes to make compulsory the things we have already done. However without seeing the fine detail it is difficult to say how it will work out in practice.

REPORT

The decision that Councils shall have an Audit Risk and Improvement Committee was placed in legislation in 2016 but that legislation does not come into force until six months after the next Local Government elections (March 2021). The paper advises what the State Government is intending in regard to Audit Committees. At 92 pages (plus references in appendices) there is reasonable detail but it is still a discussion paper. Some slight differences in the detail could make major differences on the final impact on Councils. Given the timeframes, it does not seem plausible that any further consultation could occur.

The paper deals with 3 issues –

- An Audit Committee (which it calls an Audit Risk and Improvement Committee and which Dubbo Regional Council currently calls an Audit and Risk Management Committee - these terms and their acronyms AC, ARIC and ARMC are mostly interchangeable but in this report ARIC refers to the specific proposal being advanced by the State Government)
- The Internal Audit function within Council
- The Risk Management function within Council

The Office of Local Government is seeking feedback on the following questions:

1. Will the proposed internal audit framework achieve the outcomes sought?
2. What challenges do you see for your council when implementing the proposed framework?
3. Does the proposed framework include all important elements of an effective internal audit and risk framework?
4. Is there anything you don't like about the proposed framework?
5. Can you suggest any improvements to the proposed framework?

PROPOSED REQUIREMENTS

The new sections of the Local Government Act provide:

428A Audit, Risk and Improvement Committee

- (1) A council must appoint an Audit, Risk and Improvement Committee.
- (2) The Committee must keep under review the following aspects of the council's operations:
 - (a) compliance,
 - (b) risk management,
 - (c) fraud control,
 - (d) financial management,
 - (e) governance,
 - (f) implementation of the strategic plan, delivery program and strategies,
 - (g) service reviews,
 - (h) collection of performance measurement data by the council,
 - (i) any other matters prescribed by the regulations.
- (3) The Committee is also to provide information to the council for the purpose of improving the council's performance of its functions.

428B Joint internal audit arrangements

A council may enter into an arrangement with another council, or a body prescribed by the regulations for the purposes of this section, to jointly appoint an Audit, Risk and Improvement Committee to exercise functions for more than one council or body.

The Discussion Paper proposes to prescribe how and by when these requirements are met.

The initial setup phase envisages the following timeframe:

- Establish Audit Risk and Improvement Committee by March 2021
- Develop a Risk Management Framework and employ key risk management staff by December 2022
- Audit and Risk functions fully operational by 2024

Following that initial phase the Audit Risk and Improvement Committee is to routinely cover all of its responsibilities by 2026. This report looks at whether there are any errors or gaps in the Office of Local Government's prescription of how this new system is to operate.

UNDERLING CONCEPTS AND PHILOSOPHICAL DIFFERENCES

To appreciate the strengths and weaknesses of what the Office of Local Government is proposing it may be beneficial to consider the management theory underlying the proposals and where that theory tends to have problems when it faces the real world. The Local Government Act prescribes the management practices for Councils. The Office of Local Government is trying to modernise those practices without actually changing the prescription within the Act. It has done a superb job of blending two different approaches but the outcome remains a compromise. To achieve this blending they are treating the collection of ideas in the paper as if they are multiple independent proposals rather than a web of inter-supporting structures.

The fundamental thing being prescribed is a move from the underlying governance philosophy that underpins the Local Government Act, to the philosophy that underpins current best practice thinking on governance. The thinking behind Local Government Act starts with dividing activity into: deciding what to do and then implementing that decision. The question then turns to who does that activity and how. In regard to who, it essentially comes up with one of three answers: either the General Manager controls that matter or the elected Council controls it or the State Government controls it.

Today management theory will have more stages than simply plan and do. In particular, checking that the "do" actually worked is separated out on the basis that if you consider doing and checking to be the same activity, it creates conflicts of interest. Better Practice thinking on governance at present can be characterised as a lines of defence approach. On page 8 of the discussion paper the OLG has a drawing of a rugby field with three internal lines of defence symbolically positioned on the field and State Government agencies standing on the try-line as a fourth line of defence. When following this mode of thinking, nobody routinely controls the overall defence. Instead each line is independently controlled so that a problem in one line of defence should be contained and prevented from spreading to the other lines. Thinking has moved from a focus on efficiency and technical legal prescription to instead focus on collaboration and risk management.

The Local Government Act makes Risk Management and Internal Audit components of implementing policy and therefore within the jurisdiction of the General Manager. Modern Management theory would place it primarily with the board, and create an Audit Committee to assist the board. This Discussion Paper proposes to set up that committee to assist the elected Council while not actually making Audit and Risk a matter for the elected Council.

In addition to the Discussion Paper trying to reconcile different visions of the organisational structure, it also:

- Has a different view of timeframes to the better practice documents it is using. The Discussion Paper has an annual reporting cycle in mind. It interprets "keep under review" as dealing at least annually with each item listed (a) to (j) in s428A (2) as shown above. It also expects annual reporting on those actions. The better practice documents that the Office of Local Government paper is based on repeatedly use multi-year cycles.
- At times fails to appreciate that forming an independent view or providing independent assurance means checking that relevant in-house experts have not overlooked anything. Where the Audit Risk and Improvement Committee is tasked with providing independent advice it is inappropriate to deal with that task by getting the person who normally deals with the issue to write a report on it.

1. Will the proposed internal audit framework achieve the outcomes sought?

The Office of Local Government asks this question without specifying what the desired outcomes are. Presumably this means that they are seeking feedback on what the outcomes should be as well as whether those outcomes are achieved.

- 1.1. If the objective is to provide a modern management structure that complies with the recommendations of the Institute of Internal Auditors and the principles of Risk Management standard AS ISO31000, then the opinion of Council's officers is that it makes substantial progress. However the paper simply assumes that the points where best practice documents take a different approach to that of the Local Government Act, then the issue is not significant and the Act has a better approach. If the objective is to provide guidance on what to do when the various approaches conflict, then that is not fully dealt with.
- 1.2. If the objective is to achieve the outcomes recommended by the Independent Commission Against Corruption then it is worth noting that the ICAC has on multiple occasions recommended reducing power of particular offices (i.e. removing things) and the Office of Local Government has responded by creating new responsibilities and processes (i.e. adding things).
- 1.3. If the objective is to promote better local governance then there are aspects of the proposal which go beyond ensuring prudent processes and start prescribing the Office of Local Government's view. Proper regard must be given to the fact that the governing body of a Local Government Council is neither a professional bureaucrat (like a State Government Departmental Secretary) nor a private board. It is rather a democratically elected level of government and straight copying from other types of arrangement is not always appropriate. To get the system exactly right would require reasoning each provision out from first principles. It appears that Council will have a large say in who is appointed to the ARIC but this is not completely clear. It appears that the Council will have very little say in what the ARIC does or how it does it.

The preregistration system would mean that all members of the ARIC are required to have the skills that the State Government considers necessary. There is no capacity for Councils to determine that some other skill or knowledge is more important. The proposal requiring all members would come from the preregistration list is unnecessary to achieve the stated objective of having majority of members being independent and deprives the Council the capacity to determine its own specific needs. Likewise the ban on any member having recent involvement in Local Government will add to the difficulty in recruiting the desired skill base while the benefit of extending the criteria this far is speculative.

- 1.4. It is not clear whether the objective is to provide assistance to Councils in creating the most effective way for everyone to work together or whether the objective is to create regulations so that the process continues to function correctly if relationships start to break down or perhaps the objective is just to get every Council functioning the same way. Council's officers are of the view that there is value in ensuring the ARIC has authority to set its own agenda but more cost than benefit in having the Office of Local Government mandate the agenda.

The usual big picture for an audit function is that you get highly skilled people to look at what is happening and consider if anything has been overlooked by line management. Detailed prescription is rather like asking for a detailed report on what all the unknown

problems are. It is sensible to ensure someone is checking to see nothing has been missed but there is a limit to how far the process can be prescribed.

A document which is a set of recommendations needs a lot less precision than one which contains fixed rules. Fixed rules need to contemplate every potential set of facts while recommendations only need to deal with the usual set of circumstances. When the recipients are free to not accept the advice, they are free to find appropriate solutions for unusual circumstances. When the Local Government Review Panel recommended the government "Revise the current [Internal Audit] guidelines under the Act and make them mandatory" (October 2013), they likely expected the revision would include consideration of the full range of issues and how different principles interact.

- 1.5. The proposal is that the State Government will decide who is qualified or not qualified to be an ARIC member. It is recommended that Council seek assurances that the Government will ensure a sufficient number of individuals are authorised under the system so that not only are there enough for 129 Councils' needs, there are also enough to allow Councils real choice between candidates.
- 1.6. In describing who does what, there may be an attempt here to control what can be delegated and what should not be delegated. If that is part of the objective then it will not succeed because the Act does not permit the Office of Local Government to prescribe such matters.

This report recommends that feedback be provided to the affect that we expect substantial improvement but there is insufficient precision in the Discussion Paper to evaluate whether all objectives will be met. Council also seeks assurances that the Government will ensure a sufficient number of individuals are authorised under the system so that not only are there enough for 129 Councils' needs, there are also enough to allow Councils real choice between candidates.

2. What challenges do you see for your council when implementing the proposed framework?

The proposal timeframes are somewhat metropolitan-centric and also assume there are no existing arrangements that need unwinding. It is assumed that where a small council finds the requirements difficult, they will overcome the size issues by teaming up with a neighbouring Council and get the task done in the same timeframe. There is no consideration of whether the supply of skills needed will meet the massive increase in demand that this policy will trigger. The issue of whether the proposed preregistration scheme is a good idea or not is also discussed under 1.3 and 4.2. Here under issue 2 the timing requirements are discussed amongst the other transition issues.

- 2.1. Council officers have made enquiries to the Office of Local Government concerning how the preregistration system for Audit Committee members would work. It appears most of the work on this issue is planned to occur after feedback on the proposal has occurred. We are unable to determine whether this is likely to be an issue but the possibility of compounding delays is a risk. If Councils were to give existing unqualified

Audit Committee members the opportunity to seek accreditation, this could delay recruitment of replacement members if that accreditation is not achieved.

- 2.2. Negotiating shared arrangements could compound the timing issues associated with the expansion of the preregistration system. That might be further compounded by issues associated with the initial steps being planned to correspond with Local Government Elections. The problem could be significant for small rural councils. In the later stages any Council that wants to hire in more skilled staff or move from part-time to full time staff may again find the timeframes difficult. These issues are unlikely to occur at Dubbo Regional Council but are included in this report in order to provide a more complete picture of the proposal and its likely impact across the industry.

A possible timeframe for a small rural council might be:

- July 2020 – Requirements of system finalised
- July 2020 – Members of existing Audit Committee seek registration
- September 2020 – Council elections
- October 2020 – Induction of newly elected Councillors
- October 2020 – Council decides whether it wants joint arrangements or not
- October 2020 – Members of existing Audit Committee advised if registration successful
- December 2020 – Arrangements for joint committee finalised
- Jan 2021 – recruitment commences
- March 2021 – multiple positions successfully recruited

This would be quite a challenge.

- 2.3. The annual reporting provisions imply that action is required on each of the areas of responsibility (s428A (2)) each year. The problem is that some of the things an Audit Risk and Improvement Committee will be responsible for are reviewed on four years cycles and some are in the nature of “respond when needed”.

Some activity of the Audit Risk and Improvement Committee might be something like a flood evacuation service. The function needs to monitor if action is required and be ready to go when needed. However if someone creates an expectation that an evacuation is needed every year and starts criticising a failure to perform an evacuation, it will inevitably lead to lots of work being done with no real benefit being produced.

One of the assigned tasks assigned to the ARIC in its compliance activity is advising whether “the council is complying with all necessary legislation, regulations, policies and Procedures”. It would be normal audit practice to look at an issue like this in depth once every four or so years, and then monitor for any significant change in circumstances between scheduled reviews. It would be normal in the in-between years, to assume the compliance situation remains substantially the same as it was last year unless there is a change in circumstances. The paper seems to imply the ARIC must report on “compliance” every year and not specifically on this component every year but interpretation is not completely clear. Without seeing the fine detail of the final requirements it is difficult to assess if a problem will develop.

It would be beneficial if the final guidelines clarified that “keeping under review” can include the ARIC satisfying itself that someone is watching the issue and can include the operation of thresholds for action that lead to an automatic conclusion that no action was required in the current year

It is recommended that feedback be provided to the affect that the timeframes do not adequately contemplate the large variety of circumstances of different Councils. In particular the time needed to form shared arrangements and unwind existing structures has not been adequately assessed. The reporting timeframes also need to contemplate that in some years no action will be needed within a particular area of responsibility.

3. Does the proposed framework include all important elements of an effective internal audit and risk framework?

- 3.1. Council Officers have not detected any important element being overlooked in regard to Internal Audit. Council’s officers are of the view that the path chosen by Office of Local Government to get to the destination is the one that is the easiest to legislate and within the constraints of that strategic decision, its officers have done a good job. Never the less the minimum disruption path is one that is complex to navigate, and without the fine detail we cannot assess if everything will work.
- 3.2. In regard to Risk Management, the proposal seems sensible but lacks detail to a greater extent than the audit provisions. Council’s officers were concerned that the term “Enterprise Risk Management” was being used in a way that suggested a single homogenous methodology that addressed every category of risk. Our view is that good risk management is more like a fleet of different sized ships performing different but coordinated functions, than it is like a train with identical carriages. With the diverse range of Council services no “one size fits all” solution is likely to succeed. The differences in scale between Councils and between different functions within a Council are significant and demand different approaches. If the final outcome is at a similar level to the draft, then the document will not be a problem as such, but may well lead to Councils requesting further advice.

It is recommended that feedback be provided that the document appears to cover the important elements but the level of detail is not sufficient to determine if all Council needs have been addressed.

4. Is there anything you don’t like about the proposed framework?

- 4.1. Parts of attestation statement should be signed off by Audit Committee or by Council, not by the General Manager. How the Internal Audit budget is determined is perhaps a good example. The ARIC is to advise the Council whether resourcing is adequate (page 46). The Council should then consider this as part of its budget considerations and decide what to allocate (pages 24 & 60). The General Manager is then to issue a certificate at the end of the year on whether the resourcing was adequate. In context the General Manager is required to report on whether the Council got it right or not. Finally the ARIC is to consider if the General Manager has got that report right or not.

- 4.2. Fees to ARIC are proposed to be fixed. The chair is to be paid \$16,213 p.a. and other members \$1,621 per meeting. (Some smaller Councils pay less and very large Councils have higher prescribed fees.) Sydney Councils would not pay travel costs on top of this but the proposed requirements for other Councils is not clear. At present many Councils are able to obtain expert advice and membership of their Audit Committees at substantially lower costs by individuals who see the service as a civic duty to their local community. The discussion paper does not indicate why these costs should be locked in at commercial rates. It does not indicate why Councils should not be free to determine the remuneration of their own committees.

The size of these payments also seems disproportionate to payments to Councillors. A Councillor would attend 20 to 40 meetings a year. Under the proposal, the Chair of the Audit Risk and Improvement Committee would likely attend 4 meetings a years and is paid an amount each year of similar size to the amount Councillors are paid each year. Seeing the ARIC gives advice and the Council makes decisions, the relative payments are difficult to understand.

The current guidelines recommend the majority of members of the Audit Committee should be independent of management. The assumed benefits of extending the requirement for independence to all members, are unlikely to be realised. Once the risk of bias is removed, creating extra assurance is only beneficial if there are risks of the primary controls failing. The paper appears to simply assume more is better without considering that prioritising this issue inherently means other valuable attributes are deprioritised. Someone who has high technical skill but does not meet the formal definition of "independent" may be excluded when a far better result could be obtained by simply allowing the committee to manage any potential bias at its discretion.

- 4.3. Page 41 of the paper suggests that the Audit Committee will determine who attends Audit Committee meetings. The list of people that the Audit Committee may require to attend includes Councillors. It also implies that if events clash then the Mayor and the General Manager are required to take direction from the Audit Committee on priorities. This consequence is probably not intended but it is what the document currently says and the nature of having a discussion paper is you cannot be sure what the eventual fine detail will be. This compulsion would be excessive and unnecessary. It is excessive because it gives the ARIC powers which could create an unreasonable burden on Councillors and it places the ARIC in a higher position than Council. It is unnecessary because the Audit Committee will have the right to address a Council meeting which should be sufficient for any problem which could arise.

5. Can you suggest any improvements to the proposed framework?

The following matters

- 5.1. The fundamental nature of the Audit Risk and Improvement Committee should be clearly spelt out. Key to this nature is that it is an advisory committee. The legal framework should require all provisions related to authority of the ARIC are to be interpreted as expressions of the ARICs right to information, right to be heard and right to protect its access to information. Any provision requiring the ARIC's concurrence should be clearly stated as a requirement to consult not a requirement to gain the ARIC's consent.
- 5.2. An Audit Committee should be free to examine the highest risk issues facing Council and to determine for itself what is high risk. Distinction needs to be made between what the committee can look at, what it should look at, and what it must look at. The paper is not completely clear as to what is in which category but on face value it appears to be putting too much in the "must" category. Questions put to the Office of Local Government tend to indicate this is most likely a style issue with the writer of the paper than an intent to micromanage. Never the less it is recommended that we advise the Office of Local Government that this document should clearly enunciate that it prescribes the authority of the ARIC, not the workload.
- 5.3. The status of the Audit Committee should be separately dealt with in the Act, the Code of Meeting Practice and the Code of Conduct. These documents categorised all individuals as either Councillors, Staff, Contractors or people outside of Council. None of those categories are appropriate for Audit Committee members. In the absence of specific provisions members of the ARIC are contractors and therefore theoretically under the control of the General Manager. The point is perhaps best made by an example. The rules of Local Government could define Councillors as being staff members and then give exemptions from the staff member rules where appropriate and add on specific Councillor rules. The problem is that Councillors are not staff members and while you might be able to make such a system work you cannot make it easily understood and you always have a high risk of missing something and thereby creating unintended consequences.
- 5.4. The Office of Local Government should make up its mind as to whether an ARIC is controlled by the elected Council, the General Managers or the State Government. If it is essentially controlled by the State Government then the Office of Local Government should consider if Audit Risk and Improvement Committees would be better structured in a process similar to Local Planning Panels (formerly known as Independent Hearing and Assessment Panels) rather than create yet another variation on structures. If the ARIC is effectively a State Government controlled activity it should have a legal structure that avoids confusion about who is running it.

The proposed Audit Risk and Improvement Committee is not like any other Council Committee and it is confusing to treat it like a committee that the Council controls. The development of the Internal Audit four year Strategic Plan is a good example. The prescribed process sees the elected Council giving advice to the Internal Auditor who will then consider that advice before making recommendations to the Audit Risk and Improvement Committee who make the final decision. You will not see anything like that sort of process in any other Council Committee.

NEXT STEPS

In is proposed that advice be provided to Council on the discussion paper. Following that, Council would formulate a submission to the Office of Local Government. Members of the Audit and Risk Management Committee are encouraged to advise the Chief Executive Officer of any matters of concern.

Appendices:

- 1 Snapshot guide - A new risk management and internal audit framework for local councils in NSW
- 2 Discussion Paper
- 3 Original recommendation to review guidelines
- 4 2016 Government response advising of intent to review guidelines

APPENDIX - COUNCIL BUSINESS PAPER 18/11/2019

Item CCL19/213
AUD19/30

Topic	Primary Director / Executive Manager	Primary Manager	Timeframe
Creditors / Accounts Payable	Organisational Performance	Chief Financial Officer	2019/2020 Q2
Fraud and Corruption risks	EM Governance and Internal Control	EM Governance and Internal Control	2019/2020 Q3
Social Media		Corporate Image and Communications	2019/2020 Q3
Water availability (including Disaster recovery and Business Continuity)	Infrastructure	Water Supply and Sewerage	2019/2020 Q4
Legislative compliance	EM Governance and Internal Control	EM Governance and Internal Control	2020/2021 Q1
Payroll	EM People Culture and Safety	EM People Culture and Safety	2020/2021 Q1
Accounts Receivable	Organisational Performance	Chief Financial Officer	2020/2021 Q2
IT Governance	Organisational Performance	Chief Information Officer	2020/2021 Q2
Contractor Management	EM People Culture and Safety	EM People Culture and Safety	2020/2021 Q3
Credit Cards	Organisational Performance	Chief Financial Officer	2020/2021 Q3
Cyber Security	Organisational Performance	Chief Information Officer	2020/2021 Q4

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Workplace Health and Safety	EM People Culture and Safety	EM People Culture and Safety	2021/2022 Q1
Ordering / Procurement - general	Organisational Performance	Procurement	2021/2022 Q1
Risk Management framework	EM People Culture and Safety	EM People Culture and Safety	2021/2022 Q2
Treasury	Organisational Performance	Chief Financial Officer	2021/2022 Q2
Airport	Culture and Economy	Airport Operations Coordinator	2021/2022 Q3
Developer Contributions	Development and Environment	Growth Planning	2021/2022 Q3
Heavy Vehicle Chain of Responsibility	EM People Culture and Safety	Safety and Risk Management Team Leader	2021/2022 Q4
Project Management framework	Infrastructure	Building Infrastructure Leadership Team	2022/2023 Q1
Private Works	Infrastructure	Infrastructure Delivery	2022/2023 Q1
Rates and Charges	Organisational Performance	Chief Financial Officer	2022/2023 Q2



REPORT: COVID-19 Response

AUTHOR: Internal Auditor
REPORT DATE: 30 March 2020
TRIM REFERENCE: ID20/276

EXECUTIVE SUMMARY

Council has responded to the current Pandemic by minimising the risks to staff and the general public while also maintaining operations as close to “Business As Usual” as is possible, and in particular ensuring all essential services are maintained. Working from home has been effective to date, with associated risks (including fraud risks) being managed appropriately.

FINANCIAL IMPLICATIONS

The COVID-19 environment has, and will have a significant financial impact on Council. The report details some of those impacts and notes the establishment of a COVID-19 reserve fund to address these impacts.

POLICY IMPLICATIONS

Council has responded to the COVID-19 changes and restrictions with Policies as the matter progresses; a Rates Financial Assistance Policy has been adopted and a draft policy regarding leases and licences is currently being considered.

RECOMMENDATION

That the information contained within the COVID-19 Response report, dated 30 March 2020, be noted.

Peter Browne
Internal Auditor

BACKGROUND

The Corona Virus is believed to have originated in Wuhan, China in late 2019. This is a virus we know little about. The virus can cause deaths in people of all ages but it appears that the risk to healthy people under 50 years of age is minimal. However, the virus can be fatal to vulnerable people and people over 50 depending on individual health factors. In acute cases the virus causes swelling in the throat, fluid in the lungs and reduced response to normal medication. This may require intensive care intervention to keep the patient breathing, and sadly even this is not always sufficient for the patient to survive.

The Australian government response to COVID-19 is to slow the spread of the disease and to maximise the number of intensive care beds available to treat acute cases. The choke point is the number of respirators available to pump oxygen into the lungs of these patients. If the number of people requiring intensive care exceeds the number of respirators available, then the fatality rate jumps significantly. From this perspective, then just as important as minimising the number of people who catch COVID-19, is making sure they don't all need hospital treatment at the same time. This practice of slowing down the spread is being referred to as "flattening the curve". Slowing the spread also means more time to produce more medical equipment.

The Federal Government is responsible for control of people entering and leaving Australia. The vast bulk of health matters are, however, State responsibilities. There is a desire for a coordinated national response to COVID-19 and the States are meeting with the Federal Government to coordinate the response. These meetings are being called the "national cabinet". Recommendations are announced by the Prime Minister which become legal requirements in each state when the relevant State Health Minister makes an Order. To further complicate the question of who is responsible for what, the only level of government with the financial capacity to implement large scale assistance to Australians is the Federal Government.

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27 APRIL 2020**

AUD20/39

REPORT

This situation arose with little warning, but that is the nature of disasters and why Council has a Business Continuity Plan.

The following timeline highlights significant steps council has taken to date:

November/ December 2019	First known cases of what would later be recognised as COVID-19.
19 January 2020	China reports 100 cases.
25 January 2020	First cases reported in Australia.
30 January 2020	Council's Insurers, CivicRisk, advise councils that there is no coverage for travel to/from Wuhan, China.
1 February 2020	China reports 10,000 cases.
6 March 2020	Council provides advice to staff on precautions that should be taken.
10 March 2020	Australia reaches 100 cases.
11 March 2020	World Health Organisation Declares a Pandemic.
Up to 13 March 2020	Community events cancelled in line with government restrictions include Dubbo Eisteddfod, Under Western Skies, Mud Run, Red Hot Summer, Oriscon Cross Cultural event, Dubbo Athletic Masters, Cars and Coffee, Dubbo and Wellington Shows, Rotunda Markets and ANZAC Day Commemoration Services.
16 March 2020	CEO briefs Councillors on measures to manage the growing Coronavirus pandemic situation.
17 March 2020	9am - The first meeting of the Dubbo Regional Council COVID-19 Management Coordination Team is held - this team has met on a daily basis since. Council's draft Business Continuity Plan is enacted by the CEO and distributed to Managers and Senior Staff. 3pm – CEO briefs Managers and Senior Staff on the measures taken to manage the growing COVID-19 pandemic and issues the first directives, i.e. a freeze on all travel outside the LGA and a freeze on recruitment.

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18 March 2020	<p>DRC COVID-19 Staff Management Plan (version 1) issued to staff - the Plan emphasises staying at home if you could be infected, isolation and control measures to be implemented, and advises of leave entitlements.</p> <p>Council’s insurer, CivicRisk, holds videolink workshop ‘Helping Councils Manage the Impact of the Coronavirus’.</p> <p>DRC Fine tuning and testing of work from home arrangements.</p> <p>State Government bans mass gatherings.</p>
19 March 2020	Australia reaches 500 cases.
20 March 2020	<p>NSW – Revised Gatherings Order.</p> <p>DRC COVID-19 Staff Management Plan (version 2) issued.</p>
22 March 2020	Australia reaches 1,000 cases.
23 March 2020	<p>March Council Meeting moved to larger site to allow social distancing.</p> <p>Mayoral Minute on COVID-19.</p> <p>NSW Places of Social Gathering Order – the first of the orders that start closing down specific higher risk activities.</p>
25 March 2020	<p>DRC close several facilities to the public following recommendations from the Mayoral Minute of 23 March 2020 and Government directives including Dubbo and Wellington Aquatic Leisure Centres, Wellington Caves, Western Plains Cultural Centre, Old Dubbo Goal, Macquarie Regional Library and all associated branches.</p> <p>DRC enforced further Federal Government closures of Visitor Information Centres, parks and open spaces/outdoor gyms.</p> <p>The majority of office staff are instructed to work from home, beginning 30 March 2020.</p> <p>First reported cases in Dubbo Region.</p> <p>The “COVID-19 Legislation Amendment (Emergency Measures) Act 2020 No 1” authorises remote attendance at Council meetings, defers the Local Government Election, and makes provisions for Local Government to operate under significant changes for the next 12 months.</p>
30 March 2020	<p>The majority of DRC staff working from home or remotely.</p> <p>Council’s Customer Experience Centres were closed to the public, with services continuing to be provided over the phone and online.</p>

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The actions taken by Council are detailed below the introductory comments on audit and risk. In determining what actions would be optimal, regard was given to recommendations from State and Federal Government and to Council's Business Continuity Plan.

Finance, Audit and Risk

The version of the Business Continuity Plan to be used was determined by the Chief Executive Officer on 17 March 2020. A new version had been prepared and was in draft form at the time. The decision was made to enact this version.

The overall financial impact on Council is difficult to predict given the many constantly changing variables including infection rates and Government policies changing in response. At the time of writing this report, the expected financial impact in 2019/2020 is in the range to \$2M to \$3M. That is, enough that careful financial management and prioritisation will be required but nowhere near significant enough for financial considerations to threaten the ongoing provision of essential services by Council. Operational considerations, including a healthy workforce, continue to be risk factors. Impacts in 2020/2021 are expected to be greater but the same general categorisation applies.

The following activities are classified as essential services:

- Water and Sewer.
- Waste Management (including recycling, garbage collection, waste disposal).
- Cemeteries.
- Airport.
- Animal control (Animal Shelter, Ranger response to dangerous animals).
- Corporate functions that are critical to keeping the Council operational including IT, HR, Communications.

The decision to have as many staff members as possible work from home will be impacting efficiency and the extent of this will need to be assessed as we go. Security for working from home is generally achieved utilising two factor authentication. For someone to access Council's secure systems, they need to have the correct software loaded, know the username of a staff member, know the staff member's password (in some instances multiple passwords) and be in physical possession of the staff members mobile phone (possession of the mobile phone is the second factor in establishing identification). Two factor authentication is required for all access to secure data but not required for a staff member to access their own email and other cloud based systems. The two factor system is considered safe. A few finance staff are working from the office but this is for practical/efficiency reasons, not because it is needed for security.

There have been phishing emails sent to staff and Council's Information Technology department has responded to the changing environment. This includes simulated phishing attacks where staff members are sent a harmless email in the form a hacker would use. If the staff member correctly refers the email to IT, they are congratulated for passing the test.

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Council Actions

The following details have been provided by the relevant areas of Council on how they are responding to COVID-19. Similar information is being provided to the April 2020 Ordinary Council meeting.

A significant portion of Council business is continuing to operate in real time. The extensive restrictions mean that business is mostly conducted via telephone, video conference and online facilities. Council meetings are being held online at the same times and dates as normal, Council continues to advertise suitable tenders and undertake contracted work, Council's staff including the Customer experience team are operating at the standard times via phone and email, Libraries have closed but have also adapted to delivering online services/sessions and loan deliveries.

In relation to our workforce, LGNSW and the three Unions party to the Local Government State (2017) Award (the Award) had released two joint statements that proposed guidelines in managing the workforce during the current COVID-19 pandemic. Council adopted both the original and revised joint statements as its temporary adopted practice. The statements considered Council's WHS obligations and how to manage particular staffing arrangements during the disruption of the COVID-19 pandemic, including self-isolation, casuals and provisions around the shut-down of schools.

In consideration of the proposed longevity of the current situation, further conversations with LGNSW and the Unions took place with the prospect of a Local Government (COVID-19) Splinter (Interim) Award 2020 (Splinter Award) being developed. Several versions were negotiated but ultimately the Splinter Award was ratified in the NSW Industrial Relations Commission on Tuesday 14 April 2020 at 3.00pm. This Splinter Award however became effective and operational on and from 8 April 2020 and will remain in force until 7 April 2021 (12 months). Councils were provided with the opportunity to "opt in" to the Splinter Award, and in turn, there 102 Councils that have been proclaimed party to the Award. Whilst the Splinter Award is read in conjunction with the Award, the Award expires 30 June 2020 and is subject to further negotiations with the relevant parties. No further information has been provided at this stage to understand the timings of these negotiations.

The intent in negotiating the Splinter Award was to assist those employees whose work has been disrupted by COVID-19. In most cases where an employee can carry out their normal duties remotely for the duration of the scale-back period, this award will not be required. However, in some cases where an employee's normal duties are unable to be carried out, this Award will provide guidance and provisions for exploring alternative duties, special leave and job retention.

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Under the Splinter Award, councils will be required to look for suitable alternate work for their staff whose usual jobs have been impacted by mandatory closures or other changes. Where this is not possible, council staff will be entitled to up to four weeks of Special Leave at their normal pay rate to cover any period where no work can be provided, and then to be paid a weekly job retention allowance of \$858.20 for a period of 3 months.

Council staff can supplement that allowance from their accrued annual or long service leave, taking it up to their ordinary pay rate.

From a business continuity point of view, the challenges lie within the length of time disruption of the COVID-19 pandemic that will continue. The reports from State and Federal Governments are varied and it is likely this the continuing impact on our business will affect us for the next 12 month period. A balanced approach in safeguarding our future is required and this will require further consideration in how we sustainably meet the needs of our community and our people.

Whilst Council has absorbed significant financial loses as a result of the current COVID-19 environment, there is a strong commitment to maintain delivery of services to the community. Council is dedicated to communicating with residents, having delivered several press releases and written updates on the changing local environment and is planning for the recovery from the pandemic.

CORPORATE IMAGE AND COMMUNICATIONS

The Chief Executive Officer appointed Andrew Parsons as Council's COVID-19 operational spokesperson. With a background as head of media and communications for police and other emergency services (NSW Police Force, AFP and Fire & Rescue NSW), as well as experience in pandemic public information response, he provides experienced leadership to Council in communications. Council began delivering LIVE media and community updates in March 2020. These LIVE sessions were designed to provide up to date information on Council's operations, in particular, the planned and staged scaling-back of services provided by Council, changes to staffing arrangements (ie. public facing facilities), expected changes to Council facilities and their hours' operation, and reassurance that Council's essential services would remain uninterrupted.

Council's communication initiatives included an accredited Auslan interpreter; Andrew Parsons worked with the Deaf Society NSW to source an interpreter in Sydney who could travel to the Sydney Teleport Services (STS) studios in Balmain (STS are the third party provider of DRC's live television capability). The interpreter was set-up in a small studio where they could hear and see the live media conference from Dubbo; they would sign the live event and their picture was set as a picture in picture by STS – we then broadcast the final image (Dubbo live press conference and Auslan interpreter) to the live stream and live TV feed to networks. It is understood that DRC is the only Council in Australia to provide this live service during the current pandemic emergency; the first of its type as part of normal media services provided by a local government agency.

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Guest speakers were also invited to be part of Council’s LIVE media updates in an effort to provide the most helpful and up-to-date information to the community. Guest speakers to date include: The Mayor, DRC events Officers, DRC economic development staff, NSW Business Chamber, Dubbo Buslines, NSW Department of Communities and Justice, Fire & Rescue NSW, NSW Health and NSW Police Force.

Between 17 March 2020 and 8 April 2020, DRC hosted six live COVID-19 media and community updates. Of those six events, five were accompanied by an Auslan interpreter. Several of the briefings were also shared live with TV networks in Sydney (based on the topics discussed and urgency), these were used in some national news updates, with Sky News Australia broadcasting (live). The (rounded) viewing statistics are as follows:

- 17 March 3,300
- 20 March 10,100
- 25 March 3,000
- 27 March 9,800
- 1 April 3,100
- 8 April 1,900
- TOTAL VIEWS 31,200**



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In accordance with Council's Business Continuity Plan, Communications staff are working from home with one member (on rotation) working in the office. Given the technology available, remote working arrangements have not affected the abilities of the communications team to continue to deliver the same services and standards as the pre COVID-19 environment.

DEVELOPMENT AND ENVIRONMENT

The implementation of the Business Continuity Plan has successfully resulted in Development and Environment staff maintaining operational effectiveness, with the majority doing so whilst working remotely. A COVID-19 Pandemic Plan has been completed by each Branch Manager in the Development and Environment team that has identified 'essential services' and the core positions needed to keep these critical businesses operational. This has included:

Resource Recovery and Efficiency

The essential services carried out by the Branch continue unabated including the provision of kerbside waste collections and access to transfer stations and landfill facilities for essential purposes. Following the State Government's announcement that all residents must stay home unless they are attending work or education, shopping for food essentials, exercising or attending medical appointments, in line with industry standards, we are reminding residents that police may not consider a trip to the tip as 'essential'. This is designed to protect the health of core essential service staff in an effort to maintain continuous services as much as to restrict the virus' spread throughout the wider community.

The provision of an additional Council Clean Up/Bulky Waste Collection to the annual clean up scheduled for October each year is not considered practicable as it is an eight (8) week undertaking requiring job specific rear loading trucks (differing in functionality from the side loading kerbside collection waste vehicles) that are made available to Council as a contracted service for the scheduled period only. The Waste team has neither the staff nor the right type of trucks to do a bulky clean-up.

Environmental Compliance

Rangers and Animal Shelter staff are continuing to maintain their essential services to the community through implementation of staggered shifts and office visitation times, and physical distancing. The Animal Shelter staff have adopted the recommended practice of only accepting EFTPOS payments and requesting that visitors book a visiting time between 11.30am – 1.30pm, Monday to Saturday, to assist with social distancing rules. The Animal Shelter is requesting anyone thinking of surrendering an animal to first make their own inquiries with pet rescue organisations and volunteer groups readily available online and through social media. The Dubbo Regional Council Animal Shelter should be the last option for surrendering an animal to be rehomed, not the first. These new procedures are working well.

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Similarly, Environmental Health Officers have adapted to remote working and continue to be available as an essential service in the event of specific public health or contamination concerns. Swimming pool inspections are still being conducted by appointment only, and will continue into the foreseeable future.

Dubbo Regional Council Parking Patrol and Ranger staff have been instructed to only enforce fines on drivers that blatantly disregard safety, or inconvenience other road users. These fines would be for parking in taxi zones, across driveways, too close to pedestrian crossings, in a bus zone, using a disabled space without a permit, double parking etc. Council considers that leniency is warranted during these tough times in the busy shopping precincts, however our staff will continue to respond to complaints when requested.

General Business

All other functions of the Development and Environment Division have maintained operational effectiveness, despite the challenges associated with working remotely. Growth Planning are adapting the need for public consultation with a greater focus on digital platforms and social media, in addition to the standard print and radio media platforms. This also includes investigation of easy to use online tools for our customers to leave a submission or thought, based on a geographic location throughout the Local Government Area. Also, Staff will carefully review consultation projects to determine whether further time is required for public comment and submissions.

Building and Development and the wider business support team have invested considerable time and energy to the development and continued refinement of more efficient remote working processes. In this respect, landuse applications continue to be lodged at a rate on par with the pre COVID-19 shutdown of the administration offices and are being accepted electronically via email. Assessments and determinations of all landuse applications proceed, albeit at a significantly impaired rate due to the complexities involved in working remotely and operating digitally. Inspections and development advice continue to be delivered efficiently.

INFRASTRUCTURE

The Infrastructure Division of Council contains the water and sewer functions that provide essential services for the community. It has been important to ensure that these services can fully function for the duration of COVID-19, while providing a safe place to work for staff. In these areas, staff have been allocated new rosters to ensure social distancing in the workplace, additional vehicles have been sourced to minimise the need for more than two people per vehicle and particular restrictions on accessing facilities have been implemented. While Council is not formally part of the Orana Water Utilities Alliance, Council has participated as a guest in a planning session regarding what is happening in the Region for these critical services. Staff closely monitor various supply chains for treatment chemicals and closely monitor stock levels to ensure water and sewer treatment processes can operate as normal; this includes identifying the needs for essential service letters of authority (for suppliers) and maintaining communication channels with several organisations.

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Council's roads function has taken a similar approach to social distancing at work, with alternative travel arrangements and a focus on delivering services while complying with the Government restrictions and a safe place for staff. There have been a couple of staff that have had the need to self-isolate which has caused some minor delays to some planned projects (however this was only short term). This reinforced the social distancing and roster measures that had already been put in place.

To ensure on-going projects, staff have been active in applying for grants. A submission has been made under the Fixing Local Roads Program for multiple pavement rehabilitation and seal extension projects. Further, Council has responded to a request from the Deputy Prime Minister (sent to all councils) for roads projects that may be able to be bought forward and commence in the next three to six months if funding should become available. Council staff have compiled a list of a variety of road specific projects totalling over \$12M. At this stage, projects are required to have a co-contribution from Council.

Fleet services are reviewing the sale and procurement of heavy and light plant items to ensure robust financial outcomes, including savings, are achieved as there has been a significant downturn in activity particularly with auctions of used plant.

Importantly, Council is able to progress most capital works projects and have staff working remotely undertaking designs, tenders and planning for these works. Council staff are progressing the cross city pipeline project with a preferred contractor identified through the tender process and contract negotiations commencing. Bore drillers are still active in test drilling sites for additional ground water for Dubbo and establishing bores for Wellington and Geurie.

LIVEABILITY

The Liveability Division comprises Macquarie Regional Library, Recreation and Open Space, Aquatic Leisure Centres, Community Services, inclusive of children's and youth services, aged and disability services, as well as Aboriginal services and cemeteries management. Some facilities and services continue to actively provide services for the broader community, including Rainbow Cottage Childcare facility and Family Day Care. Whilst library branches are not open to the public, there are a range of online services and outreach services available and staff continue to work behind the scenes delivering, for example, virtual story time. Additionally, our teams continue to maintain parks, gardens and reserves, despite them not being available for use and enjoyment during the pandemic.

Council is also taking an opportunity to undertake capital improvements and maintenance works in parks and gardens across the greater Local Government Area.

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Community Facilities

- **Playgrounds**

All Council playgrounds have been closed since 25 March 2020. Fenced playgrounds have been locked. All other playgrounds and fitness centres have been sign posted advising the public that they are closed in accordance with the NSW State Government's Order (2) on Gatherings. Inspections are being carried out three times a week by Council staff to ensure that signs remain in situ (this is separate to any Police initiatives).

- **Drinking fountains and BBQS**

All Council drinking fountain (22) and BBQ (55) assets have been turned off (as of 25 March 2020) and signs have been put in place, similar to the above.

- **Terramungamine and Ponto Falls campgrounds are also closed.**

- **Dubbo's Victoria Park Skate Park, as well as Wellington's Skate Park and Geurie's Tom Culkin Oval Skate Park, have also been closed.**

Sporting and Recreation Facilities

Several community facilities have been closed in Dubbo as of 25 March 2020, including Barden Park Athletics Centre of Excellence and Dubbo Regional Cycling Facility. Other facilities that have been closed include Apex Oval, Pioneer Hockey Complex, Dubbo Regional Botanic Gardens, Powter Park BMX Track, all sporting facilities and Sandy Beach Reserve – Devil's Elbow Reserve.

The Oswano Japanese Gardens - Cameron Park, Kennard Park and Rygate multi-courts facilities in Wellington have also been closed.

Public Rest Room Amenities

All amenities across the LGA have been closed with the exception of the following:

- CBD Church Street – Open with three-hourly deep cleaning, during open hours.
- Cameron Park, Wellington - Open with three-hourly deep cleaning, during open hours.
- Wise Park, Geurie – Open with three-hourly deep cleaning, during open hours.

Aquatic Leisure Centres

All Aquatic Leisure Centres are now closed. Geurie Aquatic Leisure Centre closed on its scheduled end of season date. Dubbo Aquatic Leisure Centre and Wellington Aquatic Leisure Centre closed four days ahead of schedule on 26 March 2020, as a direct result of COVID-19 and the NSW State Government's order (2) on Gatherings.

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Liaison with Sporting Groups

Liaison continues with sport and recreation clubs and state sporting organisations concerning restrictions enforced, such as ceased training and postponed winter season competitions as a result of the COVID-19 pandemic. As winter sports will be significantly impacted, a review of sporting organisation fees and charges has commenced, which will apply to sport-specific preparation which may no longer be required, pending Council assessment.

Capital works

Capital works continue, to fulfil grant funding guidelines and agreements. Continuation of the capital works program provides support for local suppliers by providing ongoing contract and employment opportunities. Current projects include:

- Wahroonga Park accessible path network
- Tom Culkin Oval playground
- Cameron Park amenities renewal
- Dubbo Regional Botanic Garden café
- Victoria Park No.1 Oval reconstruction
- Pavan's Land redevelopment
- Pioneer Park Hockey Lights upgrade
- Nita McGrath Lights upgrade
- Sir Roden Cutler Park ninja course

Community Services

Some staff in the Community Services branch continue to deliver services remotely with Council's partners and stakeholders. The use of online communication technology, along with phone calls, has made the transition much smoother. Some community engagement has been put on hold with meetings held virtually and tasks being undertaken, particularly in relation to coordinating provision of service and/or advocating for assistance, to be provided for vulnerable groups within the community. These requests have seen staff involved at a more hands-on level with groups, either providing services or having staff that have additional time due to shutdowns; and requiring tasks to undertake. Work continues to be undertaken on projects both from a capital and operating perspective, with ongoing policy updates, revision of plans and other guidelines being reviewed.

Family Day Care

Council received advice pertaining to the *Early Childhood Education and Care Relief Package (ECECRP) for Family Day Care* based on nil charges being made for the care givers' levy and nil charges for parent levy. The scheme will sustain an approximate \$85,000 loss in revenue between now and 30 June 2020.

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This payment enables Family Day Care providers to receive the equivalent of fifty percent of the fees they charged for the number of children who were in care, during the fortnight from 17 February 2020 to 1 March 2020 (up to the rate cap). Educators continue to provide education and care to essential workers including doctors, nurses and emergency service personnel, seven days a week. Many are also working into the evenings, to provide a care option for families, during the pandemic.

Based on nil charges being made for the care givers' levy (\$12,000) and nil charges for parent levy (\$230,000), the scheme will sustain an approximate \$242,000 loss in revenue during the 2020/21 financial year. These payments have been levied by the scheme to support families and educators. Under the new arrangements with no families required to pay fees, or a gap to educators, the Child Care Subsidy (CCS) payment will be paid to the scheme and then distributed to educators. If levies are to be removed for the scheme from the CCS before payment to the educators, there is likely to be a mass exodus of educators.

Rainbow Cottage Childcare Centre

Based on recent State Government funding, the Centre will endure an approximate \$50,000 loss in revenue during the 2019/2020 financial year. This is an estimation as no definitive advice has been forthcoming. Should the full payments be made in relation to Parent levies, this figure will be reduced to approximately \$10K. Attendance numbers of children are slowly increasing and there will be savings in relation to food and consumables for the Centre.

A COVID-19 Policy has been developed in relation to thorough hand sanitising, toy sanitising, food handling, nappy changing/toileting, surface sanitising, social distancing and suitable parent drop off and pickup arrangements at the centre. Activity packs have also been prepared for parents to take home. Similarly, activities have been posted via Story Park (a digital communication app) to promote ongoing proactive communication with families.

Cemeteries

Administrative team members are working remotely to address cemetery enquiries from the bereaved and funeral homes. Succession planning is also occurring with field workers to ensure that sufficient grave diggers are equipped to prepare for internments, in keeping with Australian Standards. Further, ongoing liaison occurs with funeral home operators to ensure that suitable COVID-19 measures are in place when working with deceased persons.

Youth Services

Youth Week activities have been cancelled, however, our team looked for a new way forward and decided to try a digital approach. As such, a Youth Week livestream Q&A session was held on Wednesday 15 April 2020 to discuss the big issues surrounding youth in regional and rural areas. A poll for Dubbo youth revealed that top voted issues of concern include mental health, climate change and employment opportunities. We had young passionate activists discussing their respective roles, activities and knowledge around these topics on the livestream, to spark discussion and debate.

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Leases

Community Services have only received one request pertaining to rent relief, to date, since pandemic circumstances have been introduced. This request has been considered on its individual merits and Council is endeavouring to work with the applicant to sustain its business operations.

Going forward, matters such as this will be considered under Council's COVID-19 Lease and Licence Financial Assistance Management Policy, which is expected to be adopted in the near future.

Macquarie Regional Library (MRL)

The Library's ten branches/service points closed their physical access to the public on Wednesday 25 March 2020 due to the COVID-19 pandemic.

However, MRL libraries as places of learning and knowledge, continue to connect with communities via a range of 24/7 online services and technical support; telephone and email service; virtual story time; and home deliveries, for people in need. During the days prior to closure, the lending limit and loan periods were increased to 40 items per person, for a six week period. The Library will automatically extend the member loans once the six weeks period lapses. Many members took advantage of the extended loan period prior to the closure.

The Library continues to expand its online presence via the Library website and Facebook page, with purchase of additional online resources and services as an important aspect of the Library's current and future planning.

The Libraries are no longer staffed on weekends, with staff only working Monday to Friday. Further, a number of key staff positions are currently unfilled and recruitment will not occur until pandemic restrictions cease. This is an advantage for the library service, in terms of wages expense savings.

Staff continue to work behind the scenes undertaking a variety of planning and service delivery needs, as well as an opportunity to give the Libraries a deep clean. Branch Library staff are currently weeding outdated stock, re-arranging furnishings for better utilisation of space, finalising current reporting requirements and planning future services, programs and events for later this year. This is also an opportunity to undertake other planning and development projects which include a re-design of the Library's website, development of the scope for a new marketing and promotion plan and initial planning for the Library's strategic plan.

All staff continue to adhere to social distancing requirements; wearing gloves and undertaking frequent hand washing to maintain appropriate levels of hygiene. Staff are undertaking home deliveries for community members in need, following strict hygiene requirements and completing a risk assessment for this task.

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During April 2020, the NSW Public Libraries Association Executive resolved to support Member Council library services during the COVID-19 pandemic by making funds available for the purchase of additional e-resources. During April 2020, Macquarie Regional Library will submit an application for the funding and is eligible to receive \$1,330.

The Library submitted a grant application under the Public Library Infrastructure Grants 2019/2020 for \$200,000 for an outdoor library lounge room at the Wellington Branch Library. The announcement of the successful grant applications is anticipated during April/May 2020. If the Library is successful, this will be a time of detailed planning for the project.

It is anticipated that the Library's revenue for 2019/2020 will be reduced by approximately \$18,000. However, with new merchandising and value-added services planned for 2020, the Library anticipates additional income during 2021.

Operations Service Delivery

The Liveability Operations team continue regular morning briefings specifically related to COVID-19. These meetings focus on updating team members on overnight developments from trusted sources such as Federal and State Government health websites, as well as Council updates.

Key risk minimisation messages are discussed each morning including washing hands, maintaining a two-metre physical distance, catching your cough, wiping and sanitising surfaces (including vehicles and plant before and after use), if feeling ill - stay at home, and if feeling ill while at work - go home.

Operationally, a majority of the team continue to attend work and go about the business of maintaining the greater Local Government Area, however, changes have been made to the way we do daily tasks. Most notably, we have changed our operations to maximise single people in vehicles. Where multiple people in a vehicle cannot be avoided, this is capped at two with a passenger seated in rear seats. Apprentices have been paired with a tradesperson for April 2020 and attached to a nominated vehicle. This can avoid mixing of vehicles and people. Team members who are able to work remotely are doing so and are only coming to the depot when necessary.

Larger projects involving multiple staff and contractors in prominent locations for projects like the Orana Mall and Sheraton Road roundabout drought resilience upgrades have been postponed until such time as when social restrictions are not in place.

So far restrictions are working well, with minimal disruption to productivity.

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CULTURE AND ECONOMY

The Culture and Economy Division are responsible for Council's tourism attractions, large centre business operations including the Airport and Livestock Market, and cultural programs. The Division has experience a mix of closures and reductions in the current pandemic environment.

Dubbo City Regional Airport

As the pandemic escalated in Australia, Airport staff rigorously increased the cleaning regime and personal and professional hygiene, and purchased additional gloves, cleaning sprays and hand foaming sanitisers; these are located at strategic points throughout the terminal. All stakeholders are working together so that after each influx of passengers, work stations, service counters, check-in desks, windows, floors and seating are sanitised.

Council is providing updated communication on the Dubbo Airport Website, Facebook and terminal signage, and through Council corporate channels. Airport staff are participating in weekly national security teleconferences and ongoing lobbying for financial assistance and support for airports.

There has been a significant reduction in Regular Passenger Transport (RPT) flights and terminal patronage is estimated to be at least 80% less than pre COVID-19 conditions:

- Air Link and Pelican Airlines currently have government subsidies in place and continue to operate their weekly services to Cobar, Bourke, Walgett and Lightning Ridge.
- Fly Corporate temporarily ceased services 24 March 2020 with the plan to return to operations in June/July 2020.
- QantasLink and Rex Airlines are operating at significantly reduced capacity and load factors with Rex operating twice weekly and QantasLink operating once weekly on a Wednesday.
- There are no scheduled RPT flights on the weekend and the Airport Terminal closed for the first time Saturday 11 April 2020 and Sunday 12 April 2020. Weekend closures to continue in line with flight schedules.
- Emergency services, including the Royal Flying Doctor Service, continue to operate in the precinct.

Given the significant reduction in services, casual ground handling operations and security services have been stood down and the Airport is operating on compliant skeleton staff.

Council has provided financial support where it can. Specifically with 50% reduced rental to onsite businesses in an effort to maintain those services until restrictions are lifted and business levels increase. Going forward, matters such as this will be considered under Council's COVID-19 Lease and Licence Financial Assistance Management Policy, which is expected to be adopted in the near future.

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The Dubbo Airport Café and Bar continues to maintain a takeaway service, primarily between the hours of 7.15am – 5.30pm. This service is currently being maintained with Council supporting the operator with Facebook messages to potential clients including, but not limited to, Airport precinct users.

Passenger landing fees have been suspended for all airlines from 24 March 2020 until June 2020. A review of these reductions will be conducted in June 2020.

Dubbo Regional Livestock Markets (DRLM)

The DRLM continues to operate as an essential service; it is considered as part of food production.

There has been an increase in communication amongst users around changes to operations via a number of channels including pre and during sales. Council has implemented health signage onsite and increased site hygiene practices. Access to the site has been restricted to essential persons only and contact tracing process have been established, i.e. all users on sale days are required to complete a COVID-19 declaration form. Security (staff and agents) have been employed by Council on the front gate at DRLM on sale days to receive health declarations and manage essential user only access. The communications are considered effective as generally only essential users are attending sale days, i.e. only three people needed to be turned away at the gate at the most recent sale.

Council officers have also implemented penning livestock in every second pen to assist in social distancing for buyers. The café has been redesigned with tables removed and only take away purchases allowed; the café lessee has also been supported with 50% reduced rental.

While Council endeavours to maintain the DRL service to the community, plans are in place should the site need to be shut down following a Federal or State directive. This has included the installation of gates on the front of site (which will also be useful when normal practices are resumed for security purposes).

Economic Development and Marketing

The Visitor Information Centre closed to walk in visitors and face to face customer service as of 5pm on 25 March 2020, as per the Federal Government Directive in response to COVID-19. Staff are still taking online and telephone enquiries, and are updating and maintaining procedure documentation, undertaking stocktake and facilitating ticket refunds for the Red Hot Summer event. All casual shifts have been cancelled as a result of the closure and reduced workload.

The Economic Development Services function has been focused on communicating information from the various government support packages, linking displaced workforces with hiring industries and being a sounding board for business as they navigate their way through this challenging time.

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Staff have made connections to government agencies and Business Chamber representatives regarding assistance opportunities and to clarify information. Staff have also remained in close contact with businesses in Dubbo and Wellington to gauge responses and connect businesses to assistance where available.

The “buy local” message has remained strong throughout the COVID -19 response and the My Dubbo Region Card has seen increased support from businesses in particular that are purchasing for existing staff or stood down staff.

There has been a significant increase in engagement in the skills attraction campaign, which is likely linked to people experiencing job loss, supported by increased appeal of regional living. Overall, the Dubbo Skills website had an increase of sessions by 24% - up to 2,872 for the month. Users also increased 25% to 2,533 - with the majority of those being new, 2,465 - a good indication that the campaign is continually reaching new potential employees.

Council’s Grants and Projects Officer has returned from secondment in the Drought Coordination Response Team and has been focusing grant activity on the stream of different grants being pushed into the market off the back of COVID-19, and will provide support internally and to the community as appropriate.

Destination marketing activity has been focused on supporting the changes in local business functions, through online support and development of PR content for digital development and industry support and planning for the post COVID-19 tourism response. In response to industry and consumer activity, staff have:

- Made contact with Great Big Adventure Pass ticket holders and offered them a waiver on their ticket expiries to encourage a commitment back to the Region, in planning for the recovery from the pandemic.
- Created a dedicated ‘Updates page’ on dubbo.com.au to act as a single source of information for local residents, businesses and job seekers during COVID-19 restrictions. The dedicated page is currently the best performing in terms of website traffic for dubbo.com.au.
- A campaign encouraging residents to buy local and support businesses that are still operating during the COVID-19 restrictions is underway.
- Advertising on two local radio stations will run for an initial four week period and ongoing social media activity continues in support of this message.
- An Instagram stories campaign was initiated to encourage local business engagement. Businesses are encouraged to tag @dubbocity or @wellingtonsw to showcase how they are adapting their service or products during this time so that destination marketing channels can feature and promote them widely.
- Work has commenced on an ongoing strategy for the wide Destination Marketing and specifically for the Great Big Adventure Pass to be activated once restrictions are lifted and the right opportunity is identified

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Regional Events: Event Services and Support, Dubbo Regional Theatre and Convention Centre, Wellington Civic Centre and Showgrounds

The NSW Government's Public Health (COVID-19 Public Events) Order 2020 of Monday 16 March, placing a ban on non-essential mass gatherings of 500 or more, was swiftly superseded two days later by the inclusion of a ban on non-essential indoor gatherings of 100 people or more.

During the month of March 2020, the Regional Events team worked with clients at the Dubbo Regional Theatre and Convention Centre (DRTCC) and Dubbo Showground, and with event organisers throughout the Region to communicate the rapidly changing advice and regulations. During this time, together with the Communications team, the Manager Regional Events conducted two live media calls to communicate information about events and shows that would not be proceeding.

As at mid-April 2020, it is estimated across the Region there were 76 mid to major events rescheduled; 21 scheduled productions/events were postponed/cancelled at the Dubbo Regional Theatre and Convention Centre; and the Dubbo Showground received 7 cancellations. The impact of the COVID-19 Public Events Order on event activity in the Region has resulted in a loss of over \$10M to the local economy. This significant and unprecedented financial loss will also impact on the sustainability of community events and the social and cultural benefits that events deliver to our community.

Staff across the Regional Events Branch will continue to work closely with event organisers, promoters and local businesses servicing the events industry to provide support but more importantly, commence the re-scheduling of events for the second half of the year or 2021 in readiness for our recovery from the economic climate caused by the pandemic.

Staff continue to work behind the scenes on event refunds and communications, strategic planning, capital projects, future programming and associated services, facility maintenance, renewals and grant applications. Reviews of key administrative policies and procedures across all facilities is also underway, including review of Council's Event Funding and Support Program.

Regional Experiences: Old Dubbo Gaol, Wellington Caves and Western Plains Cultural Centre and Cultural Development

All of these facilities are currently closed to the public, effective 25 March 2020. The casual workforce has been minimised across all facilities, while permanent employees continue to work on projects from home or on site where appropriate. The Community Arts Centre has been closed down and all permanent hirers, including Dubbo and District Family History, University of the Third Age, Dubbo Eisteddfod Society and Orana Arts, no longer have access to the building. All venue hire bookings have been cancelled until further notice.

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These facilities have a large amount of fixed expenses which cannot be removed, in addition to zero expected income through this period, resulting in these businesses being significantly impacted in the 3rd and 4th quarter of this financial year.

Strategic and operational projects, facility maintenance and capital improvements continue to be undertaken and opportunities to engage through social media and direct contact with customers to ensure forward bookings and visits are maintained when the facilities re-open and restrictions are lifted. Staff are using this time to undertake a review of site performances, scripts and guide content. In addition to the design and packaging of school group tours, work is also being undertaken on research material for redevelopment during the closure period of COVID-19, for example, this includes ongoing development of Old Dubbo Gaol podcast series' that we will be looking to launch regularly from this period and continuing through to later 2020.

Reviews of key administrative policies and procedures across all facilities is also underway. The Cultural Development team are currently working on the delivery of online content around exhibitions recently cut short due to COVID-19 closures. The team have increased content across social media platforms in efforts to reach out, share and inform the community of stay at home initiatives and connect them to industry led content. The weekly Word of Mouth Newsletter has been made available online and linked to social media for a broader digital reach.

Investigations are underway for opportunities to leverage the current exhibitions digitally and secure future audience opportunities once these centres re-open, facilitating a digital presence for community programs such as Minimakers and Black Box Creative.

Work is continuing on the 'Destination Dubbo – International Ready' project, with project scopes drafted for all three projects, project plans completed and project engagement processes updated to be in-line with restrictions.

ORGANISATIONAL PERFORMANCE DIVISION

Organisation Performance are a combined group of essential corporate support systems that enable Council to operate effectively and communicate those operations to customers.

Customer Experience

The Customer Experience Centres in Wellington and Dubbo, as a precaution, closed to the public on Friday 27 March 2020 due to the recent COVID-19 outbreak. The centres remain closed until further notice, with a review date of late April 2020.

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The call centre operations continue to function as per normal with all Customer Experience Officers taking calls to Council's 6801 4000 number, whilst working from their homes. The transition of the remote call centre has been extremely successful with no noticeable impact upon our customers. The Customer Experience Coordinator continues to work from the Dubbo Civic Administration Building to ensure administration support to current services which cannot be digitalised at this time. Communications during the centres' closures emphasise customers transacting through phone and the variety of existing online services.

The launch of Councils community portal "DRC&ME" has been fast tracked as a result of COVID-19 and is scheduled to be launched on 1 May 2020. DRC&ME will allow customers to transact online with Council at any time.

Information Systems

As a result of the COVID-19 pandemic, the information services team have been able to successfully guide, in a very short period of time, the organisation to a new virtual working from home environment and in doing so, hold virtual meetings. Although this transition has been challenging and demanding, essentially all services provided pre the COVID-19 pandemic are currently being delivered.

To facilitate Councillors and staff being able to work from home and practice social distancing principles, the following has been undertaken:

- Additional capacity has been added to Council's Internet infrastructure with the primary connection upgraded from 100Mbps to 1,000Mbps.
- Where necessary, staff have been provided with additional laptops and mobile telephones to facilitate and support working from home.
- Additional server capacity and software licences have also been added to support the increase in staff working from home.
- Microsoft Teams has been rolled out across the organisation as the corporate platform to facilitate virtual meetings to allow instant messaging, video conferencing and document collaboration while working from home.
- All Council and Committee meetings are now conducted remotely via Microsoft Teams and are able to be streamed to internet.
- A high number of support requests have been recorded and resolved by the IT Service Desk in order to assist staff and Councillors in working remotely.
- Additional server capacity and software licences have also been added to support the increase in staff working from home.

All Information Technology and Geographic Information System (GIS) staff are working from home, with the Corporate Information Team (Records) rotating between the office and home due to the nature of their work.

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Property Assets

Property Assets staff are working remotely for the most part with meetings conducted using Microsoft Teams. The COVID-19 pandemic has not greatly impacted the Branch, with Works still progressing very productively. These include:

- Land acquisitions on behalf of road projects being undertaken.
- Development of Keswick and Moffatt Estate construction works.
- Native Title assessments of Crown Land under the responsibility of Council.
- Various building projects.

A new management policy has also been developed which specifically provides avenues for financial assistance to be provided, on a case by case basis, to both individuals and businesses that have a lease, licence, sponsorship arrangement or have applicable fees/charges applied by Council. This policy takes into account the recent amendments to Section 610E of the Local Government Act 1993 and the Commonwealth Governments Commercial Leasing Code of Conduct.

The management policy provides a framework for the consistent application of decisions in terms of Council providing such assistance to these customers once they are able to demonstrate a clear impact on income streams as a result of the COVID-19 pandemic. Final decisions in relation to each of these matters are made by the Executive Leadership Team and accordingly this policy is operational in nature.

Cleaning staff times have been adjusted to ensure they attend facilities when no staff are present, or when staff numbers are at their lowest, to ensure social distancing protocols can be achieved. Areas of DRC buildings being cleaned are closed off with signage while cleaners are working in those areas. Cleaning regimes have been amended to ensure additional sanitising of door handles and other common touch points occurs.

The COVID-19 pandemic has allowed for spring cleaning of all facilities to be undertaken while buildings are predominantly vacant. In addition, commercial carpet cleaning equipment has been purchased to be used by assigned cleaning staff to clean as many Council buildings (floors and upholstered furniture) during this period.

Maintenance programs for Council buildings and outdoor facilities are being brought forward so works that can be done by maintenance staff and cleaning staff (eg painting of picnic shelters, permanent soccer goal posts, parkland fencing, amenities blocks, community halls, etc) can be completed with no interruption to community users.

As a result of COVID-19, projects for the construction of additional nine car spaces at the Dubbo CAB east carpark and refurbishment of the Dubbo CAB Customer Experience foyer have being fast-tracked and have now commenced to take advantage of the significantly reduced traffic.

AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020

AUD20/39

Procurement

Office based procurement staff have successfully transitioned to working remotely and services have not been greatly impacted by the change in working circumstances. Both the Dubbo and Wellington Stores are complying with strict social distancing measures and continue to provide services as normal. Ordered goods are being requested ahead of time, prepared and placed at a collection point at the counter where possible and limitations on persons attending the counters has been implemented.

Financial Operations

The continuity of all Council financial services has been maintained. The majority of finance staff are working from home with a small number of staff working in the office under strict social distancing and hygiene practices. Customers that are posting documents (such as invoices/letters) are being contacted to request their email addresses for return correspondence in order to decrease risks to all persons involved in transactions and ongoing communications; this is also increasing council efficiencies.

In direct response to the COVID-19 pandemic, a Rates Financial Assistance Policy has been prepared and was adopted by Council on Monday 14 April 2020. In addition, and on a case by case basis, assistance is being provided to council debtors and the application of fees/charges.

All NSW Councils are being financially impacted by the COVID-19 pandemic. Rates revenue will be impacted by a likely increase in rate arrears and the provisions of the recently adopted COVID-19 Rates Assistance Policy. Revenue sources other than rates will also be impacted or cease all together and overall, the financial impacts to Council will be significant.

Given the reduced cash position that Council will be facing over the next 12 to 24 months, constant monitoring and appraisal of cash flow projections will be critical to ensure Council remains as financially sound as possible in order to provide services to the community. These cash flow projections will need to be considered in line with potentially deferring some expenditures, taking on borrowings, utilisation of overdraft facilities and depleting reserves.

The March 2020 quarterly financial reviews are currently in the progress of being fully reviewed to provide a comprehensive review and analysis of the forecast financial impacts of COVID-19 to 30 June 2020. As part of the March 2020 quarterly financial review, a COVID-19 reserve has been set up to help meet expected shortfalls in Council's revenues that cannot be offset by reductions in expenditure. It is anticipated that Council's budget will be negatively impacted by in excess of \$2M by 30 June 2020. A full report on the forecast financial impacts will be provided as part of the March 2020 quarterly financial review which will be presented to the May 2020 meeting of Council. In addition, a monthly financial impacts of COVID-19 report will be prepared for Councillors.

AUDIT AND RISK MANAGEMENT COMMITTEE
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AUD20/39

Current financial metrics utilised by the Audit Office such as the Operating Performance Ratio and Outstanding Charges Percentage, when reporting on Council's financial performance for the 2019/2020 financial year and onwards, will also be adversely impacted as a result of the COVID-19 pandemic.

SUMMARY

Council has responded to the current Pandemic by minimising the risks to staff and the general public while also maintaining operations as close to "Business As Usual" as is possible and in particular ensuring all essential services are maintained. Working from home is working effectively with associated risks (including fraud risks) being managed appropriately.



DUBBO REGIONAL
COUNCIL

REPORT: Results of Information Technology Disaster Recovery Test

AUTHOR: Chief Information Officer
REPORT DATE: 23 November 2019
TRIM REFERENCE: ID19/1585

EXECUTIVE SUMMARY

Information Services undertook a review of Council's Information Technology Disaster Recovery Plan during September 2019. As a result of this review, a number of actions were required to prepare Council to respond in the event of an IT disaster. These actions have subsequently been undertaken and a test was scheduled to evaluate Council's readiness to respond to an IT disaster.

On Sunday 15 September 2019, the test was undertaken with excellent results. These results are detailed within the body of this report.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the information contained within the report of the Chief Information Officer dated 23 November 2019, be noted.

Matthew Green

Chief Information Officer

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/40

BACKGROUND

Information Services undertook a review of Council's Information Technology Disaster Recovery Plan during September 2019. As a result of this review, a number of actions were required to prepare Council to respond in the event of an IT disaster. These actions have subsequently been undertaken and a test was scheduled to evaluate Council's readiness to respond to an IT disaster.

REPORT

On Sunday 15 September 2019, an IT disaster recovery (DR) test was undertaken at the Western Plain Cultural Centre (WPCC). While Council's DR server and storage infrastructure is located at the Wellington Administration Building, the WPCC is the designated site for accommodation in the event of a disaster at the Civic Administration Building, making this a suitable location to carry out the test.

Methodology

The disaster scenario tested was the loss of the primary data centre at the Civic Administration Building. The test was limited to only having a small number of workstations connected to the test network and testing the main functionality of the applications categorised as critical to high priority within the DR business impact analysis.

The DR test did not extend to testing the data communications links that interconnect Council's facilities, due to the complexity of testing and the inability to take various sites offline for a full day. The redundancy mechanisms in Council's data network infrastructure are tested outside of the DR test. In addition, Council's backup internet services were also excluded from testing due to the risks associated with test systems being connected to the public internet. Council's backup internet services have been tested outside of the DR testing process.

Preparation

In order to confidently undertake the test, it was necessary to have confidence in the currency of the data being accessed. Council utilises two storage area networks (SANs) which store all of Council's network data. The primary server and storage systems reside in the Civic Administration Building, while the secondary systems reside in the Wellington Administration Building. The SAN's replicate data constantly between the two sites on a schedule that occurs randomly, but no longer than a twenty four hour interval. In order to test the currency of the data, a number of test transactions were made on Sunday 15 September 2019. On the morning of the test, all data replication was paused giving a snapshot (point in time copy) to work with. This snapshot was then placed in a quarantined area of the network to ensure that the production environment was not impacted.

**AUDIT AND RISK MANAGEMENT COMMITTEE
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Process

After the preparatory work was completed, a simulated disaster was declared and the process to restore services commenced. A basic table of events and timing has been included below:

TIME (h:mm)	DESCRIPTION
0:00	Simulated disaster declared. DR Plan invoked
0:15	Safe containing DR plan accessed
0:25	Network configuration changes completed
0:30	Test workstations setup and connected to network
0:40	Email/Outlook available Sample test email messages and calendar appointments confirmed.
0:45	VMWare vCenter started
0:45	File Servers available Confirmed access shared network drives
0:50	Certificate Services online
1:00	Confirmed health of Domain Controllers
1:15	Print Servers available Remote Desktop Servers available Confirmed access to shared remote desktop
2:00	Civica Authority Servers available Confirmed access to Payroll, Rates, CRM, Receipting, Property etc.
2:05	ITRON Water Billing available
2:08	Pinforce Infringements available
2:07	Reflect Asset Management available
2:15	Civica BIS available
2:20	Civica MasterView (Planning Portal) available
2:25	Macquarie Regional Library servers available
2:35	Ausfleet Fleet Management online
2:40	InfoCouncil, ACT! And NWS WasteMan available
2:45	Intramaps Weeds Management available
2:25	SCCM available - Commence build of laptop from SCCM SOE image
3:00	Microfocus Content Manager Online Confirmed the integrity of the TRIM document store, confirmed that documents can be registered and retrieved.
3:30	Testing complete

**AUDIT AND RISK MANAGEMENT COMMITTEE
27 APRIL 2020**

AUD20/40

A number of matters were identified throughout this test and related discussions, including:

- It was noted that the keys Information Services use to access the WPCC are stored in the CAB. In the event WPCC staff are unavailable, IT staff would be unable to access the WPCC. The WPCC are investigating the implementation of swipe card access to buildings which would resolve this issue.
- It was noted that the plan did not contain a procedure to activate the emergency message on Council's telephone system. This has since been rectified.
- While developing the disaster recovery plan, a number of applications were identified that the recovery point objective should be zero, meaning that no loss of data is tolerable. These applications included many Authority modules and other random applications including Content Manager and Councilpedia. This test has shown that a recovery point objective of twenty four (24) hours is currently achievable however the cost of achieving a zero recovery point objective is likely to be at a significant cost. It is recommended that a minimum recovery point objective of twenty-four hours be adopted.
- Data communications to other sites within Council may be disrupted depending on the scale and cause of the disaster. These shall be addressed as soon as possible after re-establishing the server infrastructure.
- Assumptions that these times can be met, rely on the DR data centre being available. Wide spread power outages throughout Dubbo and Wellington will seriously inhibit the ability to recover the systems within this time frame.
- Should power be unavailable in the DR data centre, at least one hour will be required to bring the systems up to a point where the recovery can commence once power can be restored.
- Printing was not considered as part of this test plan. In the event of a disaster, printers on site at the WPCC may be used initially until a solution has been planned.
- Staff will be encouraged to bring personal computing devices, such as laptops, until replacement workstations can be sourced. These personal devices can connect to a terminal session to mitigate security concerns during the initial stages of recovery.
- The DR servers indicated that they were under significant load however they were also running production servers in a DR context, in effect doubling the load on the servers. It is expected that these servers will accommodate the load in a DR event satisfactorily. Additional servers will be able to be sourced and provisioned rapidly if required in the event of a disaster.

SUMMARY

The Information Technology Disaster Recovery Plan categorises applications into a number of differing recovery point categories depending on critically including Critical (4 hours), High (24 hours), Medium (72 hours) and Low (as available). All applications identified as "critical" and "high" were brought on-line within the 4 hour window, far exceeding the recovery point objectives defined within the plan.

It is proposed that the next test will be conducted in September 2020, in accordance with the IT Disaster Recovery Policy.



DUBBO REGIONAL
COUNCIL

REPORT: Rescinding of Internally Restricted Assets Policy

AUTHOR: Executive Manager Governance and
Internal Control
REPORT DATE: 27 April 2020
TRIM REFERENCE: ID20/390

EXECUTIVE SUMMARY

At the Ordinary meeting of Council held 25 June 2001, the previous Dubbo City Council adopted an Internally Restricted Policy. This report recommends the rescinding of the Internally Restricted Assets Policy as an administrative matter.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

Council's previous Internally Restricted Assets Policy shall be obsolete upon adoption of this report.

RECOMMENDATION

That Council's Internally Restricted Assets Policy be rescinded, effective immediately

Abbey Rouse

Executive Manager Governance and Internal Control

BACKGROUND

At the Ordinary meeting of Council held 25 June 2001, the previous Dubbo City Council adopted an Internally Restricted Policy.

REPORT

The Internally Restricted Assets Policy provides two statements as follows:

1. That Internally Restricted Assets be utilised only for the purpose identified.
2. That should the desire to use these assets for some other purpose arise, a decision by Council should only be made after a recommendation by the Finance and Policy Committee.

Council's Finance and Policy Committee has since disbanded and currently it is a requirement that Council endorse their Internally Restricted Assets which is done so in the form of the Quarterly Financial Statements submitted to Council.

As such, Council have alternate means to ensure the information as requested in the Internally Restricted Assets Policy is endorsed by Council and as an administrative matter, the Internally Restricted Assets Policy now needs to be formally rescinded.

SUMMARY

This report recommends that the Internally Restricted Assets Policy be rescinded.



DUBBO REGIONAL
COUNCIL

REPORT: Rescinding of Rural Rating Policy

AUTHOR: Executive Manager Governance and
Internal Control
REPORT DATE: 27 April 2020
TRIM REFERENCE: ID20/391

EXECUTIVE SUMMARY

At the Ordinary meeting of Council held 25 June 2001, the previous Dubbo City Council adopted a Rural Rating Policy. This report recommends the rescinding of the Rural Rating Policy as an administrative matter.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

Council's previous Rural Rating Policy shall be obsolete upon adoption of this report.

RECOMMENDATION

That Council's Rural Rating Policy be rescinded, effective immediately

Abbey Rouse

Executive Manager Governance and Internal Control

BACKGROUND

At the Ordinary meeting of Council held 25 June 2001, the previous Dubbo City Council adopted a Rural Rating Policy.

REPORT

The Rural Rating Policy provides one statement; that an Advisory Panel consisting of the Revenue Accountant, one Councillor and one rural representative be formed to advise Council on rural rating applications.

Council, at its meeting held 23 April 2018, resolved to discontinue all Council Advisory Committees and Working Parties, effective immediately, and instead form informal Technical/Advisory Panels where existing members of any disbanded Advisory Committee or Working Parties can be invited to meet on an as required basis for the purpose of consultation with Councillors and Staff on a particular matter.

As such, the Rural Rating Policy now needs to be formally rescinded as an administrative matter.

SUMMARY

This report recommends that the Rural Rating Policy be rescinded.



DUBBO REGIONAL
COUNCIL

REPORT: Investments Under Section 625 of the Local Government Act - April 2020

AUTHOR: Director Organisational Performance
REPORT DATE: 1 May 2020
TRIM REFERENCE: ID20/386

EXECUTIVE SUMMARY

As required by Clause 212 of the Local Government (General) Regulation 2005, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 30 April 2020.

Investments, when placed, have been done so in accordance with the Local Government Act, Local Government Regulations and Council's Investment Policy and Strategy. Interest on investments for the month of April 2020 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of April 2020.

FINANCIAL IMPLICATIONS

Interest earned on investments has been included within Council's 2019/2020 Operational Plan, with total income generated from the Investment Portfolio forecast to be in excess of \$4,500,000.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

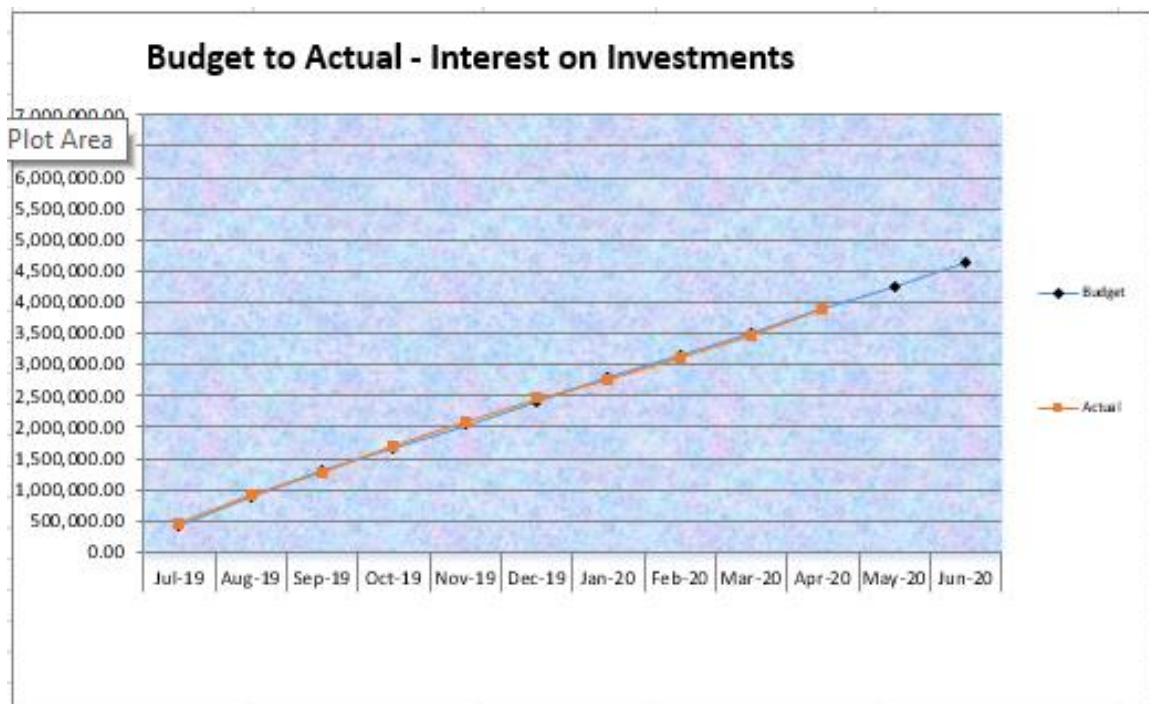
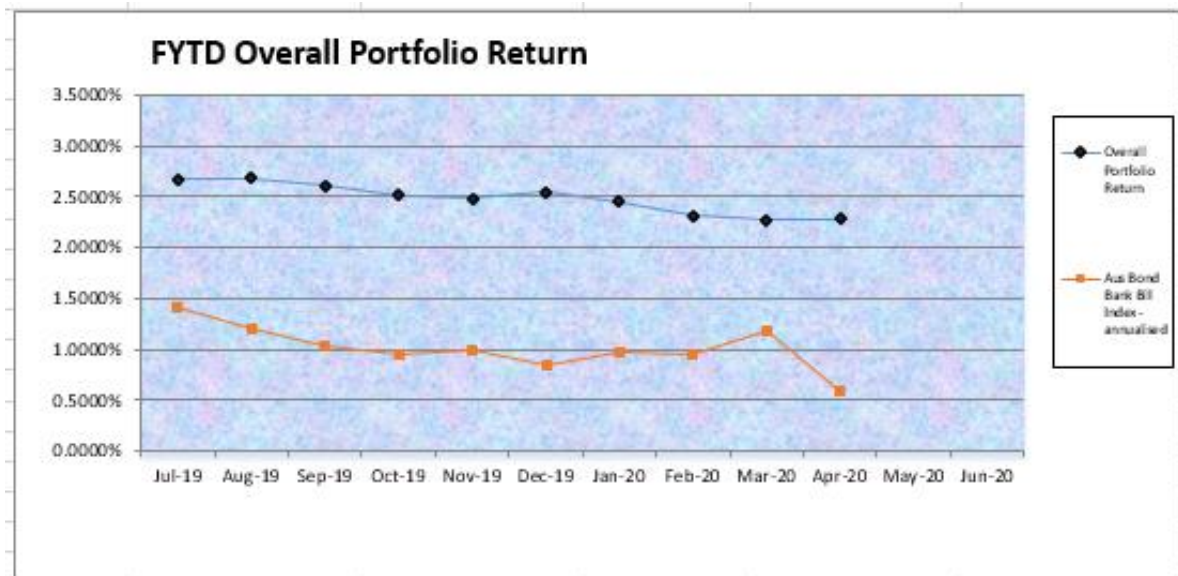
That the information contained within the report of the Director Organisational Performance dated 1 May 2020, be noted.

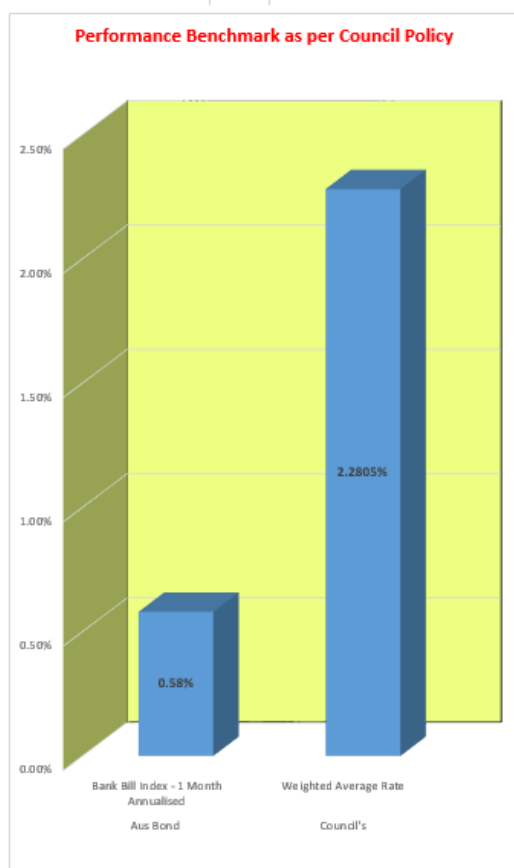
Craig Giffin

Director Organisational Performance

Bank Rating	Invested	Invested Percentage	Allowable	Portfolio Limit	Max. Term	Portfolio	** Out of Compliance
AAA	\$0.00	0%	\$214,347,536.22	100%	N/A	\$0.00	\$0.00
AA+ to AA-	\$106,749,938.28	50%	\$214,347,536.22	100%	N/A	\$106,749,938.28	\$0.00
A+ to A	\$56,500,599.09	26%	\$214,347,536.22	100%	5 Years	\$56,500,599.09	\$0.00
A-	\$12,000,000.00	6%	\$85,739,014.49	40%	5 Years	\$12,000,000.00	\$0.00
BBB+	\$34,572,500.00	16%	\$64,304,260.87	30%	3 Year	\$32,572,500.00	\$2,000,000.00
BBB	\$2,500,000.00	1%	\$64,304,260.87	30%	3 Years	\$2,500,000.00	\$0.00
BBB- & below - Local ADIs	\$2,000,000.00	1%	\$10,717,376.81	5%	12 months	\$2,000,000.00	\$0.00
	\$214,323,037.37					\$212,323,037.37	\$2,000,000.00
Cash at Hand	\$24,498.85					\$24,498.85	
	\$ 214,347,536.22					\$214,347,536.22	

** \$2,000,000.00 is over limit as a result of the new Investment Policy being adopted. This non-compliance will be back in line in September 2020





Investment % Held as per Council Policy

Institution	\$ Invested	% Invested
Cash on Hand and at Bank	\$24,499	0.01%
<i>Cash-Equivalent Assets</i>		
NAB - Sweep Account	\$24,749,938	11.55%
<i>Direct Investments</i>		
AMP	\$10,000,000	4.67%
Australian Unity	\$2,000,000	0.93%
Bank of Queensland	\$22,072,500	10.30%
Bendigo & Adelaide Bank	\$12,500,000	5.83%
CBA	\$9,000,000	4.20%
Macquarie Credit Union	\$2,000,000	0.93%
NAB	\$41,000,000	19.13%
St George	\$32,000,000	14.93%
Suncorp	\$7,000,599	3.27%
Westpac	\$49,500,000	23.09%
TOTAL DIRECT INVESTMENTS	\$187,073,099	87.28%
<i>Grandfathered Investments</i>		
Newcastle Permanent Building Society	\$2,500,000	1.17%
TOTAL GRANDFATHERED INVESTMENTS	\$2,500,000	1.17%
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	\$214,347,536	100.00%

SUMMARY

Council outperformed the 11am Official Cash Rate market benchmark for 1 month annualised return of 0.25%, with a return of 0.65% for its At Call investments for the month of April 2020. Council also outperformed the 1 month annualised Bloomberg AusBond Bank Bill Index of 0.58% for the month, with an average annualised return of 2.28% for its overall portfolio return, including an average on Term Deposits and Floating Rate Notes of 2.48%.



DUBBO REGIONAL
COUNCIL

REPORT: Dubbo Regional Council Cultural Plan

AUTHOR: Cultural Development Coordinator
REPORT DATE: 23 April 2020
TRIM REFERENCE: ID20/380

EXECUTIVE SUMMARY

As presented to Council on 24 October 2019, the Organisation has been undertaking public consultation, stakeholder engagement and industry review to develop a new Cultural Plan for Dubbo Regional Council. Consultation has now concluded and a draft plan developed.

This report provides an overview of feedback received during public consultation and the development of a set of values, strategies and actions that make up the draft Dubbo Regional Council Cultural Plan (SPARC).

Once endorsed by Council, the Plan (attached as Appendix 1), will move to a period of public exhibition for the final stage of public consultation and feedback.

The actions outlined in the cultural plan are planned for commencement on 1 July 2020. Due to the current and potential future impacts on the cultural sector due to COVID-19 restrictions, the Cultural Development team will be working to address these challenges with industry as a priority in the first 12 months of this plan.

FINANCIAL IMPLICATIONS

\$100,000 for implementing actions within the Regional Cultural Plan has been included in the draft 2020/2021 Regional Experiences Operational Budget.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

- 1. That information contained within the report of the Cultural Development Coordinator dated 23 April 2020, be noted.**
- 2. That a draft Regional Cultural Plan (SPARC) be endorsed by Council and placed on public exhibition from Monday 18 May 2020 to Tuesday 16 June 2020.**
- 3. That following the period of Public Exhibition, the finalised Cultural Plan be presented to Council on 22 June 2020 for adoption.**

Jessica Moore

Cultural Development Coordinator

BACKGROUND

As was noted in the report presented to Council in October 2019, the Dubbo Region is experiencing a period of dramatic change and transformation; becoming a smart, globally-connected City. The Region has a rich and vibrant cultural sector made up of Dubbo Regional Council facilities and programs and significant community initiated cultural products and experiences. While this sector is growing, Council was not positioned to most effectively lead or support this growth or leverage off opportunities it presents. The proposed Cultural Plan will create a strategic process that will ensure the Region becomes known as culturally vibrant and rewarding, encouraging increased sector growth, tourism and investment.

REPORT

Community Consultation

To develop this new Cultural Plan, the Cultural Development Co-ordinator undertook two rounds of community consultation in December 2019 and February 2020. This consultation included 25 open public meetings held across the Region, one on one stakeholder meetings with community and cultural groups and an online public submission portal, through which submissions were made.

Submissions

Formal written submissions:	92
Attendances at open community meetings:	103

Stakeholder and Community Group Meetings:

- Creative Assembly
- Dubbo Artz
- Dubbo Filmmakers
- Dubbo Film Society
- Fresh Arts
- Macquarie Conservatorium
- SOMAD
- University of the Third Age

Representatives from a range of other community, cultural, business and tourism organisations attended opening meetings.

The consultation included asking the following questions of the community:

1. What is Culture? What does culture and creativity in Dubbo/Wellington mean to you?
2. What would make Dubbo/Wellington a more creative and cultural place?
3. What barriers exist that are stopping you from accessing more culture, participating more, developing more?

4. What is your big Idea for the future/where do you see the Region in ten years?

Outcomes

Throughout the consultation process, the public raised a number of ideas, issues and opportunities. These ideas have ranged from the simple to the bold. Still, all have inherently focused on opportunities at the heart of cultural development and the potential it offers to the Region.

Through consultation with the community, the following strengths, weaknesses and opportunities have been identified. The Cultural Plan has sought to address each of these.

Strengths

- Our professional venues, from Council facilities including Dubbo Regional Theatre and Convention Centre and Western Plains Cultural Centre, to external cultural facilities such as the Macquarie Conservatorium and Royal Flying Doctor Experience, that contribute to the cultural diversity of our Region.
- High-level creative talent in the Region with professional skills across several creative sectors.
- Cultural momentum and the increased investment in regional focussed cultural services within Dubbo Regional Council through the recent creation of the Cultural Development Team.
- Our stimulating natural environment and natural features, in particular our Rivers, Mt Arthur and the Wellington Caves.
- The richness of Aboriginal heritage and culture.
- A growing and economically stable regional community with increasing tourism audiences.
- The value and contribution of free library services that create a community hub.
- The professional expertise and skillsets are within our community to support growth.
- Diverse heritage including significant cultural material collections.

Challenges

- Low visibility of arts and creativity across the Region. The community feels that culture is not promoted as a selling point to the Region or as of value to the local community and its promotion and development is not supported outside of the major Dubbo facilities.
- Lack of accessible and affordable venues and pathways for new or emerging programming.
- Lack of destination marketing associated with drawing tourists for the arts, including limited night-time economy, diverse accommodation options and dining precincts.
- Clarity around the Council's role and commitment to arts and cultural growth, with renewed and ongoing opportunities for consulting with the community.
- Limited stepping stones within the Region for emerging creative talent.
- Lack of connectedness within the cultural community, various cultural groups and between cultural facilities

- Limited celebration of the contribution of culture to the Region, undervaluing its impact or its successes.
- Lack of inclusion of the local creative sector in civic events, city development or activation programs.
- No dedicated funding streams from Council to support programs and activities that have cultural outcomes.
- The ongoing economic viability of creative careers in the Region.

Opportunities

- Increasing population (both as new residents and tourism market).
- External funding availability and changes to State Funding Model, increased sponsorship and partnership opportunities in the cultural sector.
- Development of a strong night-time economy.
- Challenge expectations of the Region and its cultural offerings by building a strong creative identity, where we own our potential and promote our potential to be a new creative centre.
- Hunger for original content and diverse experiences from audiences – particularly new experiences and value-adding to current offerings.
- An influx of new residents and visitors bringing their passion for unique creative experiences with them.
- Commitment to showcasing local arts content of merit.
- Utilisation of the regional focused Cultural Development Team within Council with skills and experience to drive cultural outcomes and collaborative programs with community and industry.
- Leverage the location of the Region, making use of the existing high-level infrastructure and diverse skills base with proximity to outback experiences.
- Increase engagement of the creative sector in business development capacity and capability programs being delivered by Council and within the community.
- Increase collaboration within the cultural community and set an agreed path forward to address priority actions

The Plan

The Draft Dubbo Regional Council Cultural Plan, "SPARC", has resulted from the ideas, opportunities and concerns raised during public consultation, alongside established Dubbo Regional Council policies and plans, and broader cultural sector developments on a regional, state and national level. Our plan, or *SPARC: Shaping Plans to Advance Regional Culture*, will develop our cultural sector and experiences in meaningful and strategic ways, allowing us to become a leading regional voice. It includes four key components, each of which come together to form a clear plan for growth and sustainability.

1. An overarching Definition of Culture for the Region that sets what the community sees as 'Culture'. This definition helps to set out the scope of the plan. This is noted on page 15 of the plan.
2. A set of Values that highlight the six key concepts that this community values and wants to encourage. The values are noted on page 23 of the plan.

3. Strategies that are aligned with each value to create clear outcomes and turn our values into measurable tasks. This is noted on page 25 of the plan.
4. Action Plan that puts into place programs, initiatives, partnerships and strategies to make our values and strategies come to life. This action plan establishes timelines and corporate partnerships measures to ensure we are meeting community expectations. This is noted on page 26 of the plan.

The SPARC Action Plan combines a number of strategies to address community need and expectation. These actions have been developed to not only address the feedback received from the community, but to ensure that Council priorities and resources are directed towards programs and initiatives that can respond to a number of community segments, funding and partnership opportunities, make the best use of current infrastructure. This plan is also designed to best position the Dubbo Region to grow and develop new opportunities into the future.

Much community feedback sought to address short term needs, and while these have been included in the plan, Council needs to ensure that actions that seek to grow and expand the sector are also included. It was vital that these longer-term plans still connected to community expectations and where realistic for delivery in line with Council resources.

Some actions are clear in defining the expected outcome, for example the development of a Public Art Strategy in clause 5.3.2, and will result in a quantifiable outcome. Outcomes of other actions have been left more open to enable flexibility that allows for multiple interpretations and for Council to remain open to new or unforeseen opportunities in the future. These actions will be reviewed by the Cultural Development Team in consultation with relevant stakeholders and opportunities will be further developed.

The programming that is generated will take into account resourcing, funding opportunities, community or organisational alignment or programming availability, for example, clause 1.3.1 Increase activation and programming around the Macquarie River could be achieved through events, public artworks, regular performances or light art. This will be undertaken in alignment with the Macquarie River Master Plan.

The plan addresses the significant and consistent areas of feedback received from the community, these include:

1. Definition of Culture

It was requested that a description of culture be included in the plan. There was much discussion around the limitations and difficulties in defining 'Culture' however, it was seen as essential to ensure that the plan had a clear focus and application. The definition of culture should provide a clear foundation to support the broader goals of the cultural plan.

A definition of 'Culture' for our Region has been included on page 15 of the Cultural Plan.

2. High-Quality programming continues

The call from stakeholders and audiences of the Western Plains Cultural Centre, Dubbo Regional Theatre and other Dubbo Regional Council facilities was an expectation that high-quality programming will continue to be brought into the Region. Residents strongly desire to see a continuation of cultural programming of national and international level presented locally. However, there is a sense that the value placed on locally produced content is less than that placed on in-bound programming. Our community wants access to more locally produced creative works and believes this programming contributes to building the identity of the Region. This feedback has been addressed in the plan through the following actions:

2.0 A cultural program of discovery and originality, creating a cultural life that celebrates discovery; of new ideas, new experiences and new potentials.

4.0 Adaptable, innovative, cutting edge facilities.

8.0 Support local cultural providers.

3. Space Requirements

Ongoing sustainability of the small to medium arts and cultural sector is of concern to the local Creative Industry and there is urgency in the call for increased support and linkages with Council. A lack of diverse, accessible cultural space (locations for smaller, commercial exhibitions, live performance, collaboration or development space) is impacting the growth of the creative sector. This feedback has been addressed in the plan through the following actions:

1.0 Imagination drives activation of our shared spaces.

4.0 Adaptable, innovative, cutting edge facilities.

5.0 Make creativity visible: Develop strategies to embed culture in the life of Council and the region.

16.0 A dedicated network of accessible arts and cultural facilities to support our changing needs.

4. Increased Indigenous Engagement

There is a call for increased cultural engagement with the Aboriginal community and increased investment in cultural relationships. In particular, to acknowledge the ongoing connection to culture by Wiradjuri people and to support the increased presentation of Wiradjuri Culture. There is a need for ongoing opportunities for engagement, development and business opportunities in the cultural sector for our younger indigenous population. This feedback has been addressed in the plan through the following actions:

3.4 Celebration of our tangible and intangible history.

7.0 Recognising and sharing the living culture of our region's first people.

8.0 Support local cultural providers.

5. Access

Access in all forms remains a key and significant issue with the community. Increased access was raised in reference to several issues, from the viable and equitable hire of Council facilities to the provision of a range of engagement strategies to make it easier for the community to access cultural experiences or events. The community has also raised increasing access to cultural experiences through free events, variable ticket costs, improving transport, disability access, and taking 'Culture' out into the community more. This feedback has been addressed in the plan through the following actions:

- 1.0 Imagination drives activation of our shared spaces.*
- 3.0 Opportunities to research, discover and learn.*
- 4.0 Adaptable, innovative, cutting edge facilities.*
- 5.0 Make creativity visible: Develop strategies to embed culture in the life of Council and the region.*
- 16.0 A dedicated network of accessible arts and cultural facilities to support our changing needs.*
- 17.0 Share and encourage programming across all our communities.*
- 18.0 Develop strategies to encourage access to culture for all of our residents.*

6. Culture and the Environment

Our community embraces our outdoor lifestyle and a consistent theme was the desire to see more outdoor event programming and experiences in celebration of our environment, including enhancing space through public art and greater engagement in our rivers and parks. This feedback has been addressed in the plan through the following actions:

- 1.3 Our natural environment is celebrated and activated.*
- 3.4 Celebration of our tangible and intangible history.*

7. Communication Improvement

The consultations identified that there is relatively low awareness of what's being presented across the City, from Council managed programs to community or not-for profit events and programs. This feedback indicates a need for increased and integrated promotion and audience engagement strategies, with digital media strategies offering opportunities for the increased presentation and communication. This feedback has been addressed in the plan through the following actions:

- 9.0 Improved communication strategies to increase awareness of cultural activities around the region.*

8. Youth Engagement

The community also raised opportunities for young people to better participate in and present cultural work. Increased cultural opportunities for young people is seen as central to growing and diversifying our audiences and ensuring a sustainable sector moving forward. This feedback has been addressed in the plan through the following actions:

12.0 Education opportunities and youth development programs are supported.

9. Council Support

There is a call for increased cultural leadership from Council, including cultural advocacy and promotional support. Significant feedback was received that while the community highly value and support the Council managed cultural facilities and acknowledged their dramatic impact on the community, Council must do more to show that they value cultural development, access, sector growth and sustainability. For the community, the support of 'Culture' goes beyond just providing facilities, but ensuring that culture is resourced, promoted and responsive to community need. This feedback has been addressed in the plan through the following actions:

4.0 Adaptable, Innovative, Cutting Edge facilities.

6.0 Organisational values of Dubbo Regional Council support cultural growth and recognition.

11.0 Support the growth of a professional creative sector.

10. Creating Connections

Connectivity between Council managed facilities and services and independent organisations and institutions, concerning programming, promotion and resource sharing, was seen as being vital. Reviewing how the community can access council support and services in the areas of promotion, events and Economic Development and Marketing will benefit the cultural sector. The community has the passion and excitement to grow the cultural life of the city, but feel it needs to be easier to collaborate with the Council. This feedback has been addressed in the plan through the following actions:

5.0 Make creativity visible: Develop strategies to embed culture in the life of Council and the region.

8.0 Support local cultural providers.

10.0 Stimulate and support the growth and viability of the region's cultural and creative industries through targeted and strategic investment.

22.0 Increasing opportunities for the community to connect with creative and heritage groups in the region.

11. Passionate Community

Overwhelmingly, the people of the Region are passionate in their love for their communities and want to contribute to help it rise to meet its cultural potential.

Where the community has provided feedback on the need for new infrastructure, changes to Council planning or policies increased funding needs or projects that could impact other branches of Council, the action developed has sought to undertake further investigation as a first step, rather than committing Council to broad or long term projects. Not only will this allow us to plan and resource these projects over a number of years, but the specific requirements and outcomes of each project can be assessed more specifically.

Alongside this Cultural Plan will be the continuation of Cultural Programming (exhibition, events, and performances) at Dubbo Regional Council Facilities. It is expected that staff responsible for these facilities and their associated programming will review and respond to the cultural plan highlighting and reporting how they are linking their programming to actions within the plan.

The Action Plan will form the basis for budget allocation, grant application and financial planning over the next five years. It will allow Council to distribute its annual funding toward identified and targeted outcomes. The reporting and monitoring function of the plan will allow greater transparency on budget allocation and spending and ensure that all Council can report on its significant financial contribution to cultural development.

As with a range of sectors, the cultural sector has been impacted by restrictions imposed to combat the spread of COVID-19. As a sector founded in shared communal experiences, the inability to come together to communicate and share has been significant. A range of important programs and events that draw visitors to the Region and our community together, have been halted. The loss of these opportunities has seen a number of the Region's creative practitioners lose income and the Region as a whole suffer from the loss of tourism opportunities. Where possible, Dubbo Regional Council's cultural facilities and the Cultural Development team have moved a range of programs online, for example the WPCC Mini-makers program and MRL story time programs are still being provided to the community online. Other projects have been reformatted to meet social distancing requirements and are allowing continued participation from home, such as the black box creative's theatre program now running as an online script writing program. The Culture and Economy Division is also reviewing how it can support the professional stability of the sector more widely and is looking to provide opportunities for creative practitioners to be paid to present work that can be shared throughout the Region online. This program will not only support our sector locally but will allow us to share the creative work being made in isolation, keeping the Region at the forefront of cultural engagement.

SUMMARY

The proposed cultural plan offers Dubbo Regional Council the opportunity to develop a more consistent, transparent and engaging approach to delivering cultural programs and services to the Region.

Developed in consultation with the community, this Plan will deliver and support a range of cultural, social and economic outcomes across the Region as well as guide and prioritise actions for Council's Cultural Development Team to drive, implement, support or influence across the Region.

The draft plan will now be presented to the community for a period of public exhibition from 18 May 2020 to the 15 June 2020.

Many of the actions outlined for adoption within the plan will also allow Council to support the sector as it recovers from any ongoing impacts around the COVID-19 pandemic. It will be a priority of the Cultural Development team to ensure that through this plan we support the reestablishment and vitality of the cultural sector following the decline from required COVID-19 restrictions.

Appendices:

[1](#) Cultural Development - Draft Cultural Plan 2020



SPARC

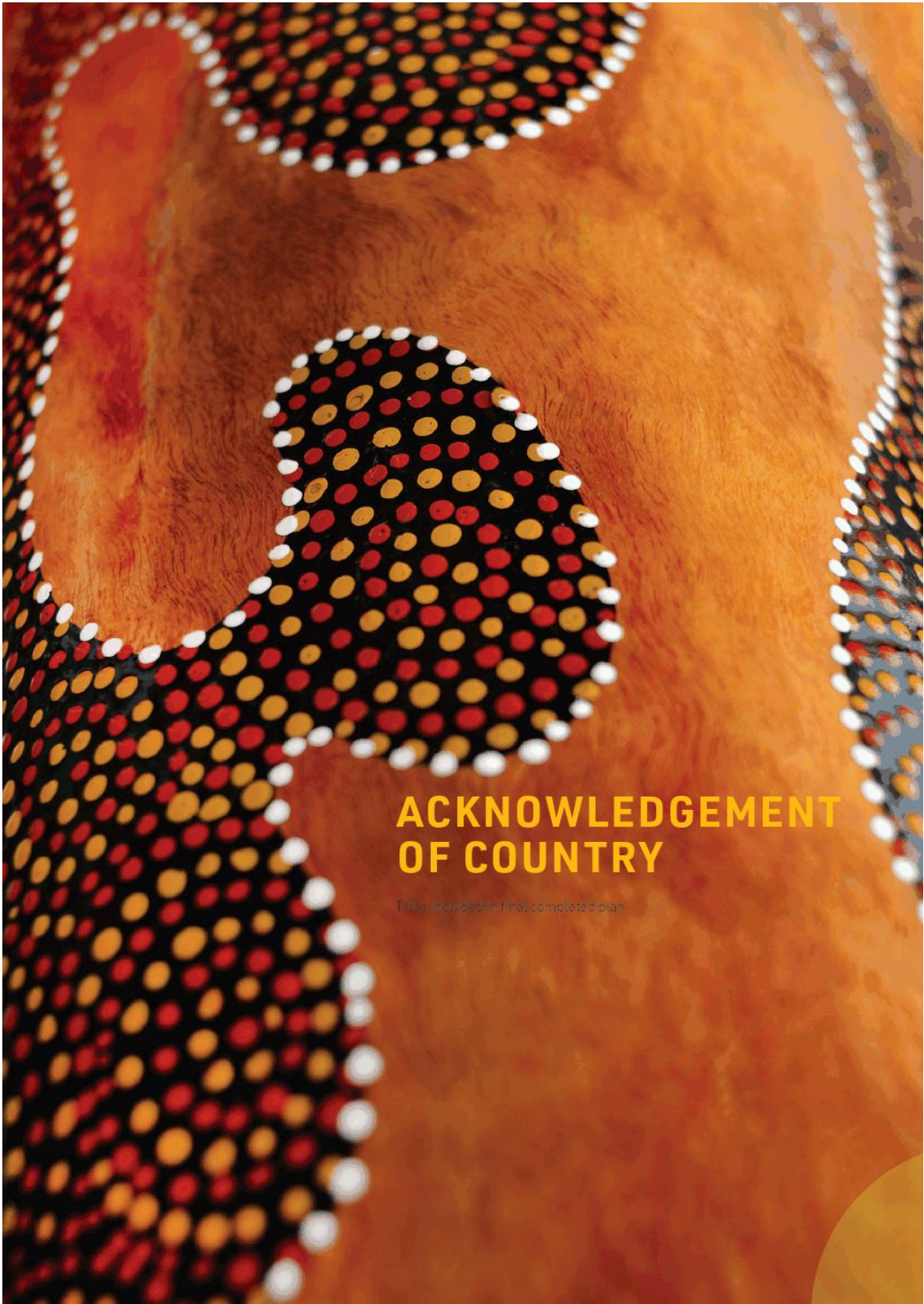
Shaping
Plans to
Advance
Regional
Culture



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MAYOR'S MESSAGE

To be included in final completed plan



Councillor Ben Sheilds
Mayor of the Dubbo Region



OUR CULTURAL PLAN - WHY NOW?

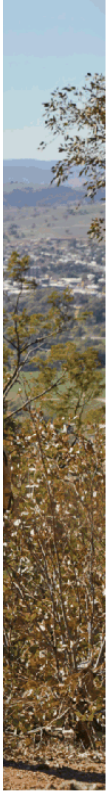
The Dubbo Region is home to artists, galleries, museums, theatres, creative enterprises and education providers, musicians, arts organisations, heritage and art collections and a community that embraces cultural expression.

The Dubbo Region is experiencing a period of dramatic change and transformation; we are rapidly growing, building and evolving, becoming a smart, globally-connected city that sets the vision for significant regional development. With the amalgamation of Dubbo and Wellington, we now have the opportunity to reframe and reshape how we develop our region for the future and to take full advantage of new potentials.

A new Cultural Plan will prepare us for the opportunities and challenges that unprecedented growth brings.

A comprehensive and responsive Cultural Plan will ensure that;

- Council can commit to policy-making based on a solid foundation, developed with, and responding to community and stakeholder feedback, with transparent processes for reporting, monitoring and review.
- It will allow improvements to current programs and support the development of future programs and services in response to identified community needs.
- The Plan seeks to position the Dubbo Region as an innovator in the provision of Local Government Cultural Services, highlighting and expanding on the innovative new staff model that has been implemented by Dubbo Regional Council and leading a new model of regional innovation.
- The Plan will champion the role that culture plays in region-building, activating, celebrating and promoting the uniqueness of the community and is a driving force behind vibrancy, a contributor to prosperity and the agent for showcasing and celebrating the development of the region.
- An activated and culturally alive city is safe, welcoming, imaginative, stimulating and attractive to investment and new residents.



In developing this cultural plan, it was essential to consult with our community at large as well as with regional arts and cultural stakeholders.

A series of twenty-three community consultation sessions and six stakeholder group consultations were held from December 2019 to March with audiences, artists and creative practitioners, historians, community groups and key stakeholders. Overall, over 200 people actively participated in the development of this strategy, with 92 formal submissions and over 100 people attending community consultation sessions. These consultations had the strategic intent of gaining feedback to inform the priority areas for cultural development. Overwhelmingly the discussions highlighted the depth to which people of the region are committed to our potential and see now as the opportune time for increased expression of our cultural identity.

Some key strategic areas of feedback include:

→ The call from stakeholders and audiences of the Western Plains Cultural Centre, Dubbo Regional Theatre and other Dubbo Regional Council facilities was an expectation that high-quality programming will continue to be brought into the region. Residents strongly desire to see programming of a national and international level presented locally. However, there is a sense that the value placed on locally produced content is less than that placed on in-bound programming. Our community wants access to more locally produced creative works and believes this programming contributes to building the identity of the region.

→ Ongoing sustainability of the small to medium arts and cultural sector is of concern to local creative industries, and there is urgency in the call for increased support and linkages with council. A lack of diverse, accessible cultural spaces (locations for smaller commercial exhibitions, live performance, collaboration or development space) is impacting the growth of the creative sector.

→ There is a call for increased cultural engagement with the Aboriginal community and increased investment in cultural relationships. In particular, to acknowledge the ongoing connection to a living culture by Wiradjuri people and to support its increased presentation. There is a need for ongoing opportunities for engagement, development and business opportunities in the cultural sector for our younger indigenous population.

→ Access in all forms remains a key and significant issue with the community. From the viable and equitable hire of DRC facilities to the provision of a range of engagement strategies to make it easier for the community to access cultural experiences or events. The community has also raised increasing access to cultural experiences through free events, variable ticket costs, improving transport, disability access, and taking 'Culture' out into the community more.

→ Our community embraces our outdoor lifestyle, and a consistent theme was the desire to see more outdoor event programming and experiences in celebration of our environment, including enhancing space through public art and greater engagement with our rivers and parks.

→ There is a need for more accessible events throughout the region, alongside the consolidation of disparate and competing events. There is potential value in bringing events together with and improving the programming and communication to prevent competition for funding or audiences.

→ The consultations identified that there is relatively low awareness of what's being presented across the city, from Council managed programs to community or not-for profit events and programs. This indicates a need for increased and integrated promotion and audience engagement strategies, with digital media strategies offering opportunities for the increased presentation and communication.

→ The community also raised opportunities for young people to better participate in and present cultural work. Increased cultural opportunities for young people is seen as central to growing and diversifying our audiences and ensuring a sustainable sector moving forward.

→ There is a call for increased cultural leadership from Council, including cultural advocacy and promotional support. Significant feedback was received that while the community highly value and support the Council managed cultural facilities and acknowledged their dramatic impact on the community, Council must do more to show that they value cultural development, access, sector growth and sustainability. For the community, the support of 'Culture' goes beyond just providing facilities, but ensuring that culture is resourced, promoted and responsive to community need.

→ Connectivity between Council managed facilities and services and independent organisations and institutions, concerning programming, promotion and resource sharing, was seen as being vital. Reviewing how the community can access council support and services in the areas of promotion, events and economic growth and regional marketing will benefit the cultural sector. The community has the passion and excitement to grow the cultural life of the city, but feel it needs to be easier to collaborate with Council.

→ Overwhelmingly the people of the region are passionate in their love for their communities and want to contribute to help it rise to meet its cultural potential.

Image opposite: Mount Arthur Lookout, Wellington
(c) Dubbo Regional Council.



THE PLAN

The resulting cultural plan, **SPARC: Shaping Plans to Advance Regional Culture (2020-2025)** is a five-year framework detailing the priorities for Council's development for arts and culture in the Dubbo Local Government Area. Developed to be a living document, it serves to define the key priorities and actions that collectively will provide our strategic direction. The plan will help to determine Council's role in developing regional culture and positions the organisation to meet the cultural needs of the region. This Strategy expands on the cultural components of Dubbo 2040: Community Strategic Plan and outlines the Council's cultural actions that will contribute to delivering the overall vision for the Community Strategic Plan.

Dubbo 2040: Community Strategic Plan focuses on five strategic directions, Housing, Infrastructure, Economy, Community Leadership and Liveability, of which one (Liveability) directly sought to deliver cultural outcomes. Cultural links and potential actions indirectly aligned all other directions.

In developing this new cultural strategy, Dubbo Regional Council is working to making culture intrinsic to the region, valued for its contribution to people's wellbeing, our sense of identity and its economic, educational and tourism values. SPARC addresses the importance of partnering with our community, engaging with our audiences, embracing diversity and ideas and supporting our artists and practitioners. The growth of a vibrant, diverse cultural sector is fundamental to the overall vision for the region as smart, liveable and economically Strategies in this Cultural Plan are to be achieved through new levels of partnership, alignment and innovation, with Council playing a leadership role. As a five year framework, SPARK will position our region's arts and culture as a critical strength to our community wellbeing, economic Development and and tourism ambitions.

The Cultural Plan seeks to create opportunities for people of all ages, backgrounds and abilities, to learn, create and be heard, participate in, and contribute to the cultural life of the region.

THIS PLAN WILL



With actions to support our creative and cultural practitioners to network, collaborate, grow and lead; it includes an investigation into the growth of accessible, specialised spaces and places across the region to host the creation and showcasing of rich artistic offerings. SPARK is committed to ensuring our cultural offerings are accessible and visible within and beyond the region. It is equally committed to realising the economic potential of arts and culture, positioning the region as a significant player in growing state and national creative industry economies.

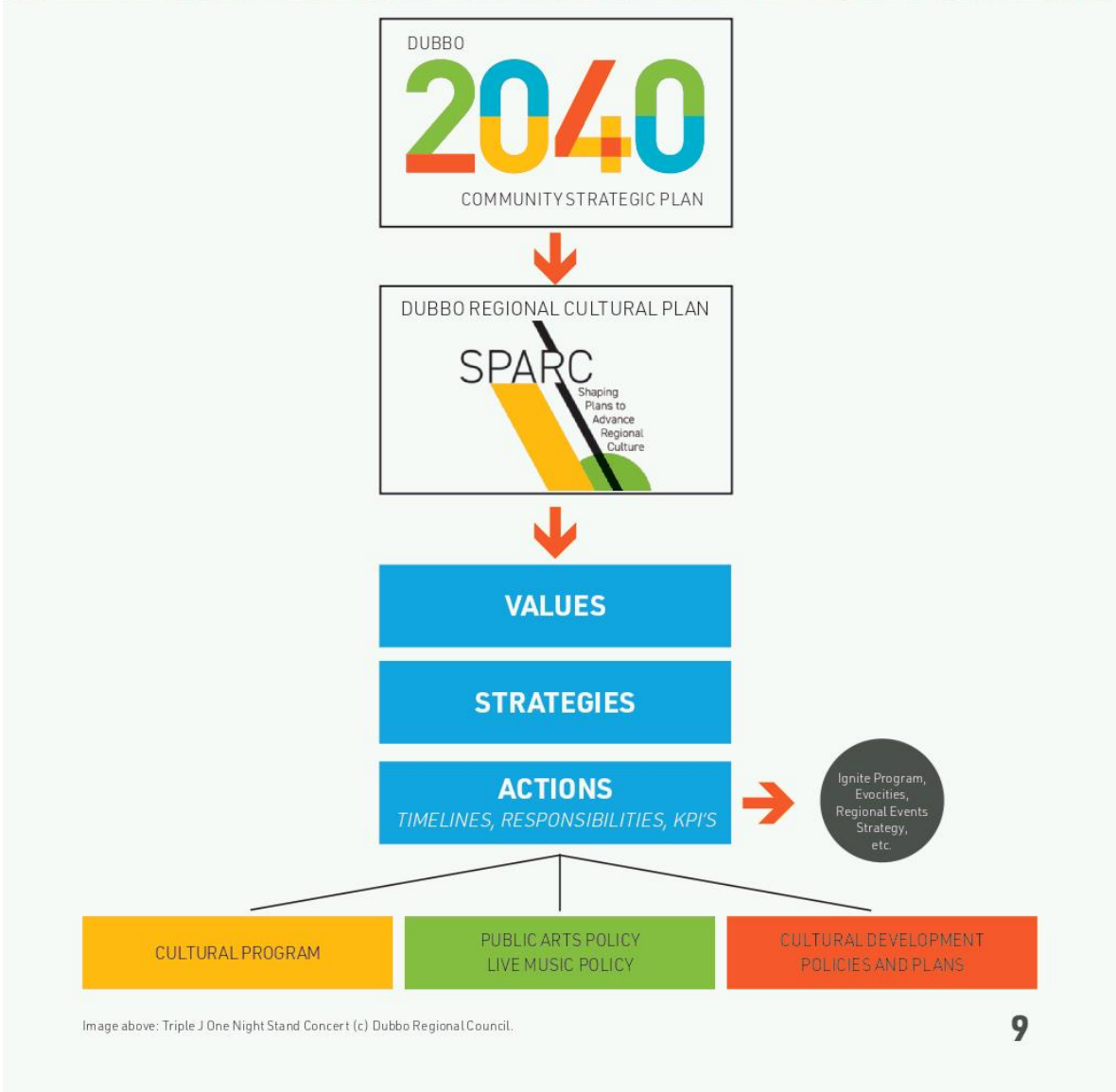


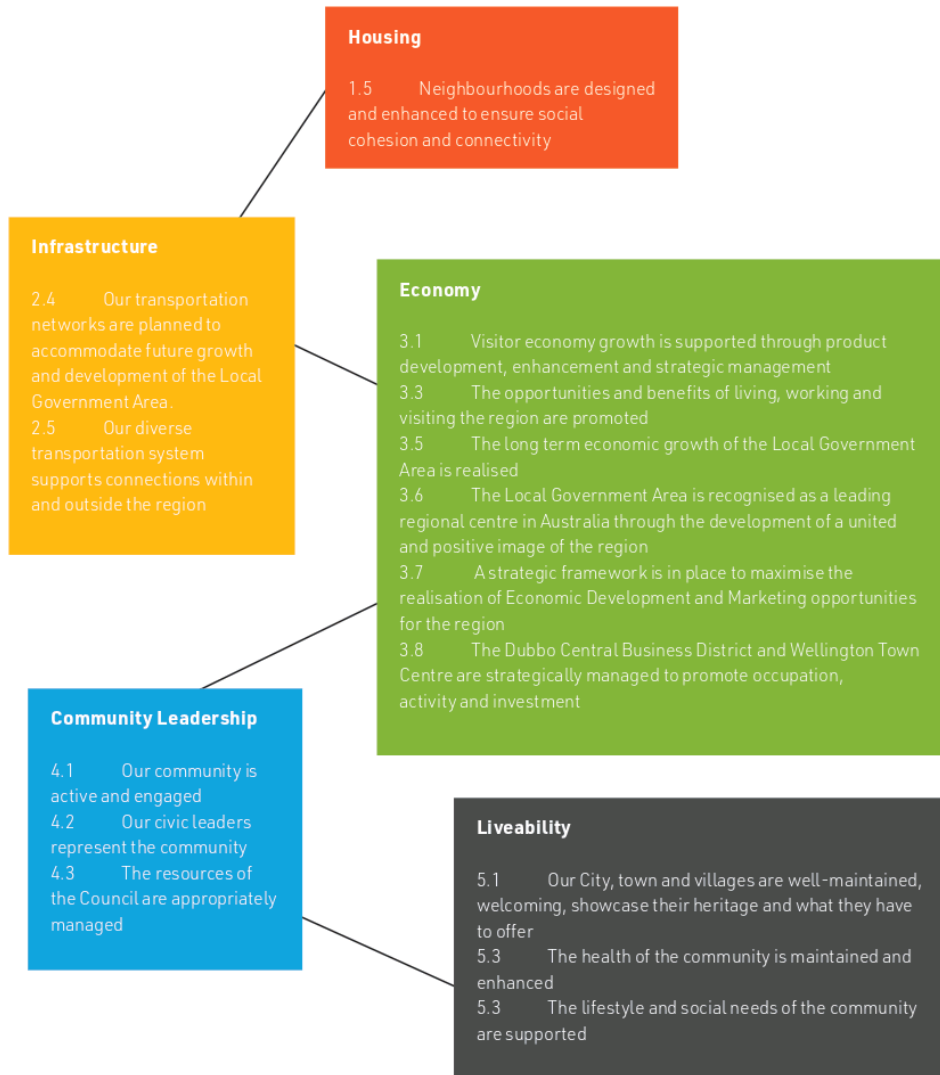
Image above: Triple J One Night Stand Concert (c) Dubbo Regional Council.

OTHER POLICY AND PLANNING CONNECTIONS

Dubbo 2040: Community Strategic Plan

This strategy was developed to align with Council's **Dubbo 2040: Community Strategic Plan**. As a lead document, the Community Strategic Plan provides direction from which other Council plans, policies and strategies are developed. This streamlining of planning allows the Council to more effectively integrate the region's priorities for culture and the arts into the Council's core business.

The strategies and actions developed in SPARK will support the following strategic areas from within Dubbo 2040: Community Strategic Plan;



State

Create NSW is the Arts funding, policy and strategic planning department of the NSW Government and sits within the Community Engagement Division of the Department of Premier and Cabinet.

Create NSW is responsible for furthering the Government's vision for NSW to be known for "its bold and exciting arts and culture that engages the community and reflects the state's rich diversity." Create NSW is committed to growing, empowering and strengthening the arts, screen and culture sectors in NSW, to embed arts in the every day and deliver new, innovative and exciting arts and cultural services and experiences for the people of NSW. Create in NSW: The NSW Arts and Cultural Policy Framework outlines the following key actions for regional NSW:

- ➔ Collaborating with local governments in regional NSW, with a focus on opportunities for creative hubs and cultural precincts;
- ➔ Enhancing performing arts touring by developing a Regional Partnerships and Touring Framework for the State Cultural Institutions;
- ➔ Supporting self-determined practice and creating professional development pathways for artists and for arts and cultural workers;
- ➔ Supporting the development of digital platforms to extend the reach of the State Cultural Institutions' collections, programs and events to schools, universities, family historians, researchers, artists and cultural practitioners across NSW;
- ➔ Promoting opportunities for cultural tourism through Destination Management Planning (DMP) – in consultation with the Regional Arts Network and Destination NSW.

Outcomes in support of each of these key actions have been included in SPARC to ensure ongoing synergy with state objectives and to remain competitive in grant funding and programming support.

In 2019 Create NSW restructured its Arts funding model and is now guided by three key objectives.

1. Grow creative leadership and programming excellence in NSW.
2. Strengthen NSW arts and cultural activity that drives community and social benefits.
3. Showcase NSW as a leader for strategic arts and cultural governance and strong financial management.

Alongside this streamlined focus, the assessment of funding applications will seek to value programs that have an impact across four priority areas,

1. Audience Impact
2. Cultural Impact
3. Operational Impact, and
4. Social Impact

This development represents a significant change in the value and assessment of cultural impacts and outcomes by the NSW Government. In light of this, SPARC provides Dubbo Regional Council with an opportunity to strategically align its programming and operations to ensure that the outcomes around culture align with State objectives while simultaneously addressing community needs and expectations.



HOW DID WE DEVELOP THE PLAN?

We listened to our communities needs and aspirations for the cultural life and future of our region.

From December 2019 to March 2020, the Cultural Development Team went out into our community to talk, question, converse, and share with as many people as possible. From one on one chats, to formal meetings and online submissions, we reached out across the region to get us much feedback as possible.

- 23 community consultation sessions with over 100 attendees
- 6 stakeholder group consultations
- 95 formal submissions

Over 200 people gave us their feedback, views and opinions to contribute to the development of SPARK. We also reflected upon past successes and current triumphs, aiming to limit change in areas the community has voiced strong ongoing support for, and drive change where it is needed the most. We analysed data from recent Community Strategic Plan consultations, regional and state trends and gathered a selection of ideas and practical suggestions from a broad cross-section of Council teams.

Image above: Wellington Sesquicentenary Exhibition (c) Dubbo Regional Council.

SOME OF OUR COMMUNITY FEEDBACK INCLUDED:

“

Bring to light all the amazing small, creative and cultural not-for-profit groups that make Dubbo such an interesting place.

“

It's important for Dubbo to develop commercial art gallery spaces where local artists and others from further afield can exhibit and offer their work for sale.

“

Dubbo has important Indigenous communities with artistic, cultural and political presence and creativity. Engagement for a strong Indigenous art and cultural presence is a move for a stronger future for all.

“

A space to hold educational workshops for artists to attend tutorials delivered by professional artists, available to all interested members of the community.

“

We need more cultural environments and activities that you stumble across and discover. This is what makes exciting cultural exchange. Dubbo is the perfect town to walk around in the evening and we need more to be going on around town.

“

It would be great to see Council develop a program - that is aimed at engaging our most disadvantaged and at risk young people in Dubbo/Wellington.

“

In many ways Wellington is a prettier town than Dubbo as Dubbo has lost a lot of its beautiful buildings, but Wellington needs a facelift - lots of buildings need painting. Perhaps the council could help in this.



VALUING CULTURE AND ARTS WHAT IS CULTURE?

The value of arts and culture to society is both vast and often underappreciated. As well as being of intrinsic value to our sense of self, engagement with arts and culture has a significant impact on our society's economy, health and wellbeing, social cohesion and education.

The word 'culture' can be hard to define, as the meaning differs from person to person according to their age, values and heritage. In a national context, the Australia Council for the Arts holistic definition provides a good point of reference:

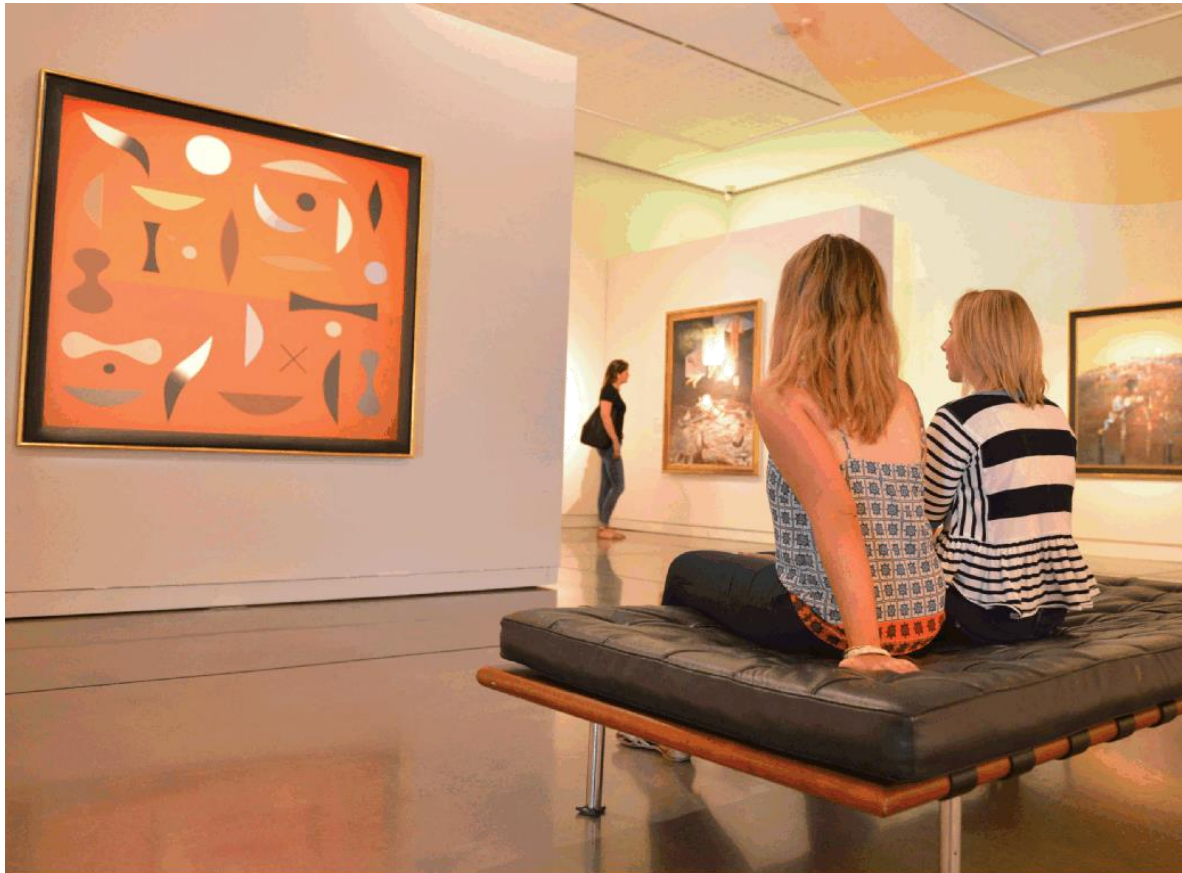
“

There is both an intuitive and measurable connection between a sense of holistic wellbeing and participation in cultural activity.

Create NSW Culture,
Value and Place 2018 Report (Part 1)

"Our culture is unique. It is a culture that is deeply shaped by more than 70,000 years of continued, unbroken Indigenous storytelling. It reflects Australia's two centuries of settlement from around the world. We are a diverse community of identities, faiths, individual differences and pursuits, yet we have many shared values, and our sense of nation is strong. A culturally ambitious nation draws strength from these diversities. It utilises them to expand the dimensions of our creativity. A culturally ambitious nation acknowledges that music, books, theatre, film, paintings, sculpture, dance and a myriad of other art forms are central to our lives. It cherishes its great artists from all regions, and across all practices"

Australia Council for the Arts – A culturally ambitious nation.



Locally the community have told us that:

Culture is about what matters to people and communities. It is about relationships, shared memories and experiences. It is about identity, history and a sense of place, how we live our lives and what gives them meaning and value, it is about the things we consider valuable for passing on to future generations and the ways we share and come together as a community today. It is our way of connecting the present with the past and the future.

For this cultural strategy, it was essential to reach community agreement on a broad definition of 'culture'. To this end, the comprehensive consultation process involving community revealed the following aspects of culture to be the most important in our region.

- Creative and artistic expression
- Indigenous culture and creative expression
- Historic and multicultural diversity
- Connection and sense of identity
- World-heritage listed natural environment
- Support, collaboration and coming together as a community

In summary this plan will take as its definition of culture;

"The cultural fabric of the Dubbo Region is part of our daily lives, our lifestyle, our history and our future. It is how we tell our story and the story of our region, it is connection, growth, discovery and celebration. Our culture is expressed through the performing and literary arts, social events and activities, educational activities to grow creative skills and knowledge, festivals, celebrations, commemorative events, spirituality and introspection, heritage, design, public art, craft, digital media, sound, architecture, visual arts, film, food, fashion, and the creative industries.

Culture can be intimate or communal, and is found in galleries, museums, libraries, theatres, studios, within the built and natural environment, on the streets and laneways, sporting grounds, open spaces and in unexpected and surprising locations."

Image opposite: Dream Festival Lantern Parade (c) Dubbo Regional Council.
Image above: Western Plains Cultural Centre (c) Dubbo Regional Council.



OUR REGION -COMMUNITY PROFILE

a. Our Regional Engagement with Culture



b. Our Cultural and Creative Workforce

The creative industries are defined as those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property.

Dubbo and surrounding regions are growing an increasingly viable creative workforce with a significant number of new creative enterprises establishing in the region since the last cultural plan (2008) and increasing numbers of established businesses, expanding their product through cultural activation (live music, performance). Between 2011 and 2016, there was a 35% increase in residents employed in the creative industries.

While the number of people directly employed in the heritage, creative and performing arts in the LGA is relatively low, many more residents have indicated qualifications or professional background in arts, heritage or creative industries. All of our cultural and heritage community groups rely on volunteers to operate - over 5,000 people across the LGA undertook volunteer work at some time during 2016. (2016 Census Results)

There is a significant opportunity to build the capacity of our creative practitioners and the local creative economy by providing professional development opportunities. This includes establishing more formalised networks, supporting promotional and audience development opportunities; and providing greater prospects for our creatives to showcase their work.

WHAT IS COUNCIL'S ROLE IN DELIVERING THIS PLAN?

Why is council in the business of culture?

Council's role in culture is multi-faceted. It is the owner and manager of a number of major cultural institutions - Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Macquarie Regional Library (Dubbo and Wellington), Old Dubbo Gaol, Wellington Civic Centre and Wellington Caves, and this number is soon to increase with funding to develop the Wiradjuri Tourism Experience, Macquarie River Foreshore Precinct, Old Dubbo Gaol Heritage Plaza and Wellington Police Lockup. Alongside these institutions, Council is the custodian of significant natural and environmental assets in the region including extensive parklands and public spaces, community halls and reserves, sports ovals and showgrounds.

Council is also the custodian of significant collections of works of art, objects and artefacts. Dubbo Regional Gallery holds a collection of over 1,000 works of art and is becoming one of the most recognised and renowned in regional Australia. Dubbo Regional Museum, Wellington Caves and the Local History Collection hold a broad collection of over 5,000 objects and documents that help tell the diverse stories of the region from fossils to industrial machinery like the nationally significant Australian Hero Wagon.

Council's responsibilities for culture have evolved. In establishing a focussed strategy for developing Culture in the Local Government Area, it is essential to articulate the core responsibilities of Council and its reasons for its commitment

which are to:

- ✔ Help sustain a vibrant and healthy community through expression and engagement in culture
- ✔ Contribute to improving educational outcomes and life-long learning
- ✔ Stimulate creativity and capture its economic value in new industries and jobs
- ✔ Protect and reflect our identity
- ✔ Develop tourism and attract new residents and businesses

Council's responsibility to our community is to represent its diversity, reflect and protect its identity and celebrate its uniqueness. Through SPARC Council can ensure our citizens have access to quality cultural programming that connects them locally and nationally. Council has a responsibility to our creators, creative entrepreneurs and cultural facilitators to ensure they have the best opportunity to live and practice in the Dubbo Region while being connected to national and international sectors. Council's responsibility is to our community and its current and future economic sustainability for which culture performs a vital role.

Image opposite: Pearl Gibbs mural by artist Adnate, Image (c) Dubbo Regional Council

Image below: Dubbo Regional Theatre and Convention Centre (c) Dubbo Regional Council.





Alongside the cultural facilities owned and operated within the region, the Dubbo Region has a rich natural and built heritage with a number of heritage-listed sites located within the Local Government Area, including:

Dubbo

Cobra Street: Dubbo RAAF Stores Depot
 Macquarie Street: Talbragar Shire Council Chambers
 110-114 Macquarie Street: National Australia Bank building, Dubbo
 118 Macquarie Street: Colonial Mutual Life building, Dubbo
 195-197 Macquarie Street: Milestone Hotel
 215 Macquarie Street: Old Dubbo Gaol*
 Main Western railway: Dubbo Railway Station
 Main Western railway: Dubbo Rail Bridge over Macquarie River
 Obley Road: Dundullimal Homestead

Euchareena

2531 Euchareena Road: Nubrygyn Inn and Cemetery

Stuart Town

Stuart Town Railway Station

Wellington

John Fowler 7nhp Steam Road Locomotive*
 Curtis Street: Wellington Convict and Mission Site
 21 Maughan Street: Wellington Post Office
 University Road: Blacks Camp

* The only listed sites/objects for which Dubbo Regional Council has direct responsibility

18



CULTURAL MAPPING – WHAT'S HAPPENING IN OUR REGION?

Our Region has an abundant variety of arts and cultural organisations, cultural facilities and events. These include artists, craftspeople, festivals, art exhibitions, museums, galleries, libraries, heritage trails and sites, botanic gardens, theatre, concerts and live performances by local and visiting talent. With community effort at its foundation, and a bold new Council structure for the growth and development of regional culture, we are positioned to innovate and revolutionise the presentation of culture in Regional Australia.

Alongside the many creative practitioners in our region, Dubbo and Wellington have long been home to dynamic and influential creative groups who have supported and grown the creative life of our Region.

Cultural Groups in our Region

Wellington Amateur Dramatic Society
Wellington Arts
Wellington Arts and Crafts Society
Oxley Museum Wellington
Wellington Eisteddfod
Made in Wello
Dubbo Arts and Craft Society
Dubbo Film Society
Dubbo Amateur Dramatic Society
Dubbo Film Makers
Dubbo Artz
Creative Assembly
Wesley House Players
SOMAD (Songwriters and Original Musicians Association Dubbo)
Dubbo Eisteddfod

Facilities managed by Dubbo Regional Council

Dubbo Regional Theatre and Convention Centre
Wellington Civic Centre
Macquarie Regional Library (Dubbo and Wellington)
Old Dubbo Gaol
Wellington Caves
Western Plains Cultural Centre
Dubbo Regional Botanic Garden Incl. Shoyoen Gardens and Biodiversity Garden
Toyama Osawano Japanese Garden, Wellington
Dubbo Showground
Wellington Showground
Victoria Park, Dubbo
Cameron Park, Wellington
Tracker Riley Cycleway, Dubbo

Cultural and Tourism facilities external to Dubbo Regional Council

Taronga Western Plains Zoo, Dubbo
Royal Flying Doctor Experience, Dubbo
Dundullimal Homestead, Dubbo
Dubbo Observatory's
Geurie Community Hall
Macquarie Conservatorium of Music, Dubbo

Other Culturally Significant sites

Terramungamine Reserve, Dubbo
Burrendong Botanic Garden and Arboretum, Wellington
Mount Arthur Reserve, Wellington

Image opposite: Old Dubbo Gaol (c) Dubbo Regional Council
Images above: Macquarie Regional Library, Dubbo (c) Dubbo Regional Council



KEY STRENGTHS/ CHALLENGES/ OPPORTUNITIES

STRENGTHS

- Our professional venues, from those managed by council such as the DRTCC to WPCC to external cultural facilities such as the Macquarie Conservatorium and Royal Flying Doctor Experience, that contribute to the cultural diversity of our region.
- High-level creative talent in the region with professional skills across several creative sectors.
- Cultural momentum and the increased position of culture within Dubbo Regional Council through the creation of the Cultural Development Team.
- Our stimulating natural environment and natural features, in particular our rivers, Mt Arthur and the Wellington Caves.
- The richness of Aboriginal heritage and culture.
- Growing and economically stable regional community with increasing tourism audiences.
- The value and contribution of free library services that create a community hub.
- The professional expertise and skillsets are within our community to support growth.
- Diverse heritage including significant cultural material collections.

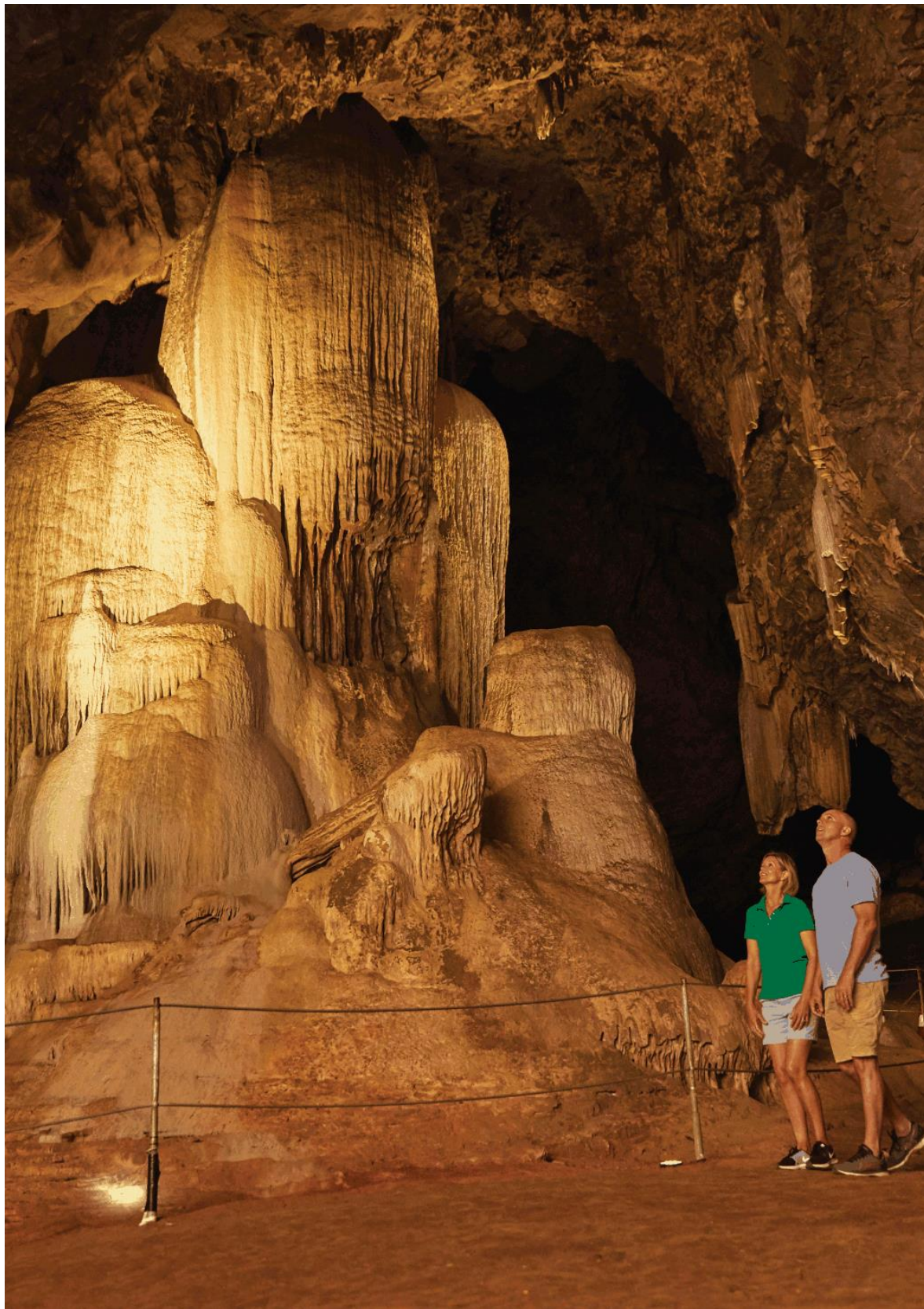
CHALLENGES

- Low visibility of arts and creativity across the region.
- Lack of accessible and affordable venues and pathways for new programming.
- Lack of destination marketing associated with drawing tourists for the arts, including limited night-time economy, accommodation options and dining precincts.
- Need for clarity around Council's role and commitment to arts and cultural growth, with renewed and ongoing opportunities for consulting with the community.
- Limited stepping stones within the region for emerging creative talent.
- Lack of connectedness within the cultural community and between cultural facilities.
- Limited celebration of the contribution of culture to the region, undervaluing its impact or its successes.
- Lack of inclusion of the local creative sector in civic events, city development or activation programs.
- Lack of dedicated funding streams to support programs and events that have cultural outcomes.
- The ongoing economic viability of creative careers in the region.

OPPORTUNITIES

- Increasing population (both as new residents and tourism market).
- External funding availability and changes to State funding model, increased sponsorship and partnership opportunities in the cultural sector.
- Development of a strong night-time economy.
- Challenge expectations of the region and its cultural offerings by building a strong creative identity, where we own our potential and promote our potential to be a new creative centre.
- Hunger for creative content and diverse experiences from audiences – particularly new experiences and value-adding to current offerings.
- An influx of new residents and visitors bringing their passion for unique creative experiences with them.
- Commitment to showcasing local arts content of merit.
- Leverage the location of the region, making use of the existing high-level infrastructure and diverse skills base with proximity to outback experiences.
- Mentoring emerging talent.
- Professional networking and cross-arts collaboration.

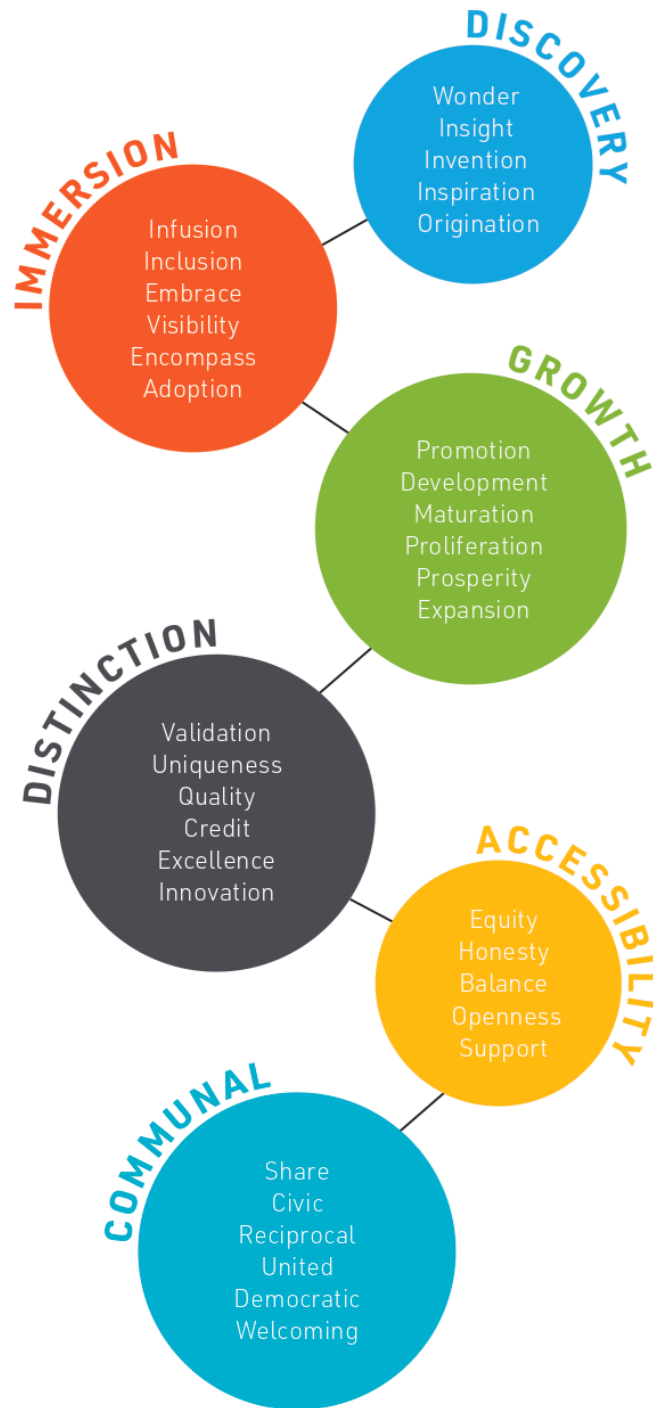
Image opposite: Wellington Caves (c) Dubbo Regional Council



OUR VALUES

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Through the community consultation, six ideals have been identified and represent the values of the community and the cultural community they wish to see developed and supported. These values are:



DISCOVERY

SPARK will be one that values and celebrates the spirit of discovery, where insight and origination are appreciated and encouraged. Discovery is celebrated through exciting programming and events, but also through opportunities to learn more about who we are and to share this outside our region. Ours will be a region in which discovery becomes part of our experience of living here, with our cities, towns and villages full of new cultural experiences.

IMMERSION

Culture will be included in the fabric of the city, from the milestones that we celebrate to the infrastructure we develop, opportunities to include culture will be grown. Dubbo Regional Council will generate a new model of cultural development that will integrate cultural programs into the life of the region in dialogue with our community. It will weave together public engagement, outdoor activation, digital platforms, everyday events, major exhibitions and community-led ideas. We will find opportunities to make visible the strengths and uniqueness of our regional culture, in particular, Aboriginal Culture and its ongoing strength and resilience.

GROWTH

We will realise the untapped potential of the creative industries on our doorstep, invest in professional development pathways and support key opportunities for our creative industries. Our creative sector will be valued and supported as professionals, and the contribution of culture to our region will be advocated and championed.

DISTINCTION

Distinction celebrates uniqueness, excellence and innovation and seeks to provide opportunities to highlight and support the quality of regional culture. We will drive innovative approaches to the development of distinctive world-class cultural experiences and programs and to place our cultural producers and community at the heart of these. Establishing the cultural brand and distinct personality for cultural activity across our region, we will promote our culture to the world.

ACCESSIBILITY

Accessibility is at the heart of our cultural plan, championing a view of culture that is open and welcoming and that all members of our community are supported to create, share and participate in culture. Through SPARK we will work towards increasing the spaces for cultural engagement, share and encourage programming across all our communities and support strategies that allow as many people as possible the opportunity to interact with culture.

COMMUNAL

SPARK will celebrate the connection between community and culture and work to increase the impacts and relationships possible. Through culture, we will ensure members of our community feel included, celebrated and valued, support our diversity and encourage thoughtful conversations about who we are and what we value. SPARK validates that a healthy culture life is core to community resilience and wellbeing.



OUR STRATEGIES



DISCOVERY

Imagination drives activation of our shared spaces.
 A cultural program of discovery and originality, we will create a cultural life that celebrates discovery; of new ideas, new experiences and new potentials.
 Opportunities to research, discover and learn.
 Adaptable, innovative, cutting edge facilities.

IMMERSION

Make creativity visible: Developing strategies to embed culture in the life of Council and the region.
 Organisational values of Dubbo Regional Council support cultural growth and recognition.
 Recognising and sharing the living culture of our region's first people.
 Use local.

GROWTH

Improved communication strategies to increase awareness of cultural activities around the region.
 Stimulate and support the growth and viability of the region's cultural and creative industries through targeted and strategic investment.
 Professional development.
 Education and youth development.

DISTINCTION

Recognise and value our cultural communities' unique contribution to our regional identity.
 Recognise and leverage our region's distinct cultural identity, raising its profile as a centre of creative excellence.
 Promotion.

ACCESSIBILITY

A dedicated network of accessible arts and cultural facilities to support our changing needs.
 Share and encourage programming across all our communities.
 Develop strategies to encourage access to culture for all of our residents.

COMMUNAL

Increasing opportunities for the community to connect with creative and heritage groups in the region.
 Placing culture at the heart of community resilience and wellness.
 Diversity is celebrated.
 Develop cultural initiatives that are founded in providing civic benefits, social connectivity and respond to our developing region.

— OUR ACTIONS

DISCOVERY

ACTION	C/N NOW	SHORT 1-2 YRS	MED 2-3 YRS	LONG 3-4 YRS	CULTURE AND ECONOMY PARTNERS	DRC PARTNERS
1.0 Imagination drives activation of our shared spaces.						
1.1 Increase in cultural programming and activation in non-traditional spaces to make creative activity more visible.						
1.1.1 Council to investigate potential sites suitable for cultural programming and produce a feasibility report into increasing publically accessible space for cultural programming.						Liveability, Development and Environment
1.1.2 Investigate the increased use of Victoria Park and Cameron Park for cultural and community events, including food service options, nighttime activation and establishment of event precincts. *Meets Create NSW Regional Priority						Liveability, Development and Environment
1.1.3 Establish and promote a list of facilities and open spaces suitable for arts and cultural activities.						Liveability
1.1.4 Investigate the suitability of the "laneway culture" to provide linkages through our CBD through various artistic and cultural means.						Liveability, Development and Environment
1.1.5 Produce a how-to guide to support members of the community to access public space and present outdoor cultural activities.						Liveability, Development and Environment
1.2 Enable the creative sector to play an active role in the establishment of vibrant events and the night-time economy.						
1.2.1 Develop opportunities to add to established programs or activities with night activations.						Liveability, Development and Environment
1.2.2 Develop a "Night Time Activation Strategy" to promote a welcoming and diverse, vibrant nightlife for our cities and towns.					Economic Development and Marketing	Liveability, Development and Environment
1.2.3 Activate spaces with twilight activities to increase public safety and increase access to events outside traditional work hours.					Economic Development and Marketing, Regional Events	
1.3 Our natural environment is celebrated and activated.						
1.3.1 Increase cultural activation and programming around the Macquarie River.						Liveability, Development and Environment, Infrastructure
1.3.2 Develop strategies to encourage trails and interactive walks along Wellington's Bell River.					Economic Development and Marketing	Liveability, Development and Environment, Infrastructure
1.3.3 Consider how the natural environment is a unique regional asset, and local biodiversity should be supported as a cultural asset.						Liveability
2.0 A cultural program of discovery and originality, creating a cultural life that celebrates discovery; of new ideas, new experiences and new potentials.						
2.1 Support cultural programs that encourage engagement and foster interests in a variety of disciplines including, but not limited to, all genres of, music, dance, drama, visual arts, film and literature.						
2.1.1 Development of a "Curatorial Strategy" that sets out the principles of exhibition development, design and engagement across facilities within Visitor Experiences Division and the remit of the Cultural Development Team.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
2.1.2 Cultural programming founded on the LGNSW Cultural Planning Framework.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	

2.1.3	Use the established Cultural Values of this plan to guide the Cultural Planning Framework to inform exhibition programming, public programming, education strategies and events.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
2.1.4	Review creative programs of Dubbo Regional Council facilities to assess demand trends, programming mix, operational models and target audiences to ensure community expectations are met.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability
2.1.5	Foster partnerships with regional, state and national arts and cultural organisations. *Meets Create NSW Regional Priority				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
2.2	Encourage collaborative arts programming across arts, and non-arts mandated organisations with a focus on the development of new partnerships.					
2.2.1	Council to provide prioritisation to partnering with cultural and community groups who have sought out and established partnerships within the community to demonstrate a collegiate approach to cultural development.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
2.3	Increase the number of new, innovative and robust artistic experiences offered in the region.					
2.3.1	Develop programming matrix that includes requirements to program exhibitions, events, and programs rarely seen in the region. *Meets Create NSW Regional Priority				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
2.3.2	Provide creative skill development opportunities for the public, especially those not usually engaged in traditional arts, culture, innovation or creativity.					
2.3.3	Involve more marginalised socio-economic groups, schools, sporting clubs and community groups in the arts and creative industries.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events	Liveability
3.0	Opportunities to research, discover and learn.					
3.1	Ensure access to local history and family history research and services.					
3.1.1	Support access to genealogical and family history research services.				Western Plains Cultural Centre	

3.1.2	Ensure annual programming around local history, with cultural facilities actively presenting original local history content.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.1.3	Undertake a review into the Dubbo Regional Museum for potential redevelopment.				Western Plains Cultural Centre	
3.1.4	Provide access for the public to local history research, information and support services. Continue to ensure that this service appropriately resourced to maintain standards.				Old Dubbo Gaol, Western Plains Cultural Centre	
3.1.5	Ensure historical, archival and civic collections are accessible to local schools and students through promotion, programs and curriculum-linked resources.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.1.6	Work with the local historical societies and facilities to plan for sustainability (including collection stability) so that they remain strong, viable and relevant organisations within the community.					
3.1.7	Diversify access strategies for local history, including presentation through podcasting, augmented reality, online, film and publication, etc. *Meets Create NSW Regional Priority				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.2	Collection development, presentation and online access.					
3.2.1	Continue to grow a unique art collection for the region.				Western Plains Cultural Centre	
3.2.2	Develop an online collection strategy covering all Dubbo Regional Council cultural facilities and collections that increases access, and engagement with groups for audiences at a local, national and international level. *Meets Create NSW Regional Priority				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.2.3	Curate exhibitions that feature works from the art and heritage collections of Dubbo Regional Council.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.3	Develop facilities and policies to ensure the longer-term growth and security of cultural collections.					
3.3.1	Seek funding support to establish a regional cultural collection storage facility.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.3.2	Prioritise the development of policies and procedures to ensure digital capture of archival material is effectively supported and managed. *Meets Create NSW Regional Priority				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.3.3	Ensure cultural collections are managed according to current best practice standards.					
3.4	Celebration of our tangible and intangible history.					
3.4.1	Identify and work to protect the community's heritage assets including natural heritage sites and local archaeological sites.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.4.2	Develop a strategic interpretation and engagement plan for built, natural history and heritage sites within the LGA.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre	
3.4.3	Develop a plan for the identification, capture and interpretation of our intangible* heritage.					
3.4.4	Support and promote a diversity of heritage experiences throughout our region, with a focus on sites of Aboriginal engagement, colonial and settlement history and environmental history.				Economic Development and Marketing	Liveability
3.4.5	Develop accessible resources to support regional walking and driving tours which include digital resources to activate local history and cultural sites.				Economic Development and Marketing	
4.0	Adaptable, innovative, cutting edge facilities.					
4.1	DRC facilities on the cutting edge of cultural presentation.					
4.1.1	Ensure staffing and resource levels for all DRC managed cultural facilities is equitable to ensure the high level of services to the public can continue.					Executive Services

*Intangible Heritage examples of heritage that are fluid and do not have a physical form. It can include traditions or living expressions inherited from our ancestors and passed on to our descendants, such as oral traditions, performing arts, social practices, rituals, festive events, knowledge and practices concerning nature and the universe or the knowledge and skills to produce traditional crafts.

4.1.2	Undertake a biennial benchmarking process for all DRC managed cultural facilities to ensure that operational standards, programing standards and facility management is responsive to emerging trends and community needs.				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability
4.2 Establish asset masterplans to outline the future direction of cultural facilities to adapt to changing community needs.						
4.2.1	Develop a strategic plan for the region's cultural infrastructure needs over the next 5-20 years. *Meets Create NSW Regional Priority				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure
4.2.2	Review the ongoing needs of the Macquarie Conservatorium and how DRC can support its continued operation.				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing	Liveability, Development and Environment, Infrastructure
4.2.3	Investigate the establishment of additional cultural facilities in Wellington to support the growing cultural life of the town.				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure
4.2.4	Support the upgrade and adaptive use of facilities for culture in our villages.					
4.2.5	Seek funding to develop a regional recording studio to assist with the development of digital media opportunities and skills.				Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing	
4.3 Upgrade and invest in technology to improve audience experiences.						
4.3.1	Ensure that outdoor event infrastructure and technology, such as three-phase power, water and Wi-Fi, is included in significant new Council developments.					Liveability, Development and Environment, Infrastructure
4.3.2	Ensure that cultural facilities are supported to adapt to changing technological needs and community expectations, both in resourcing and ongoing training for staff.				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground	Liveability
4.3.3	Use technology to provide meaningful and interactive cultural and heritage experiences for all sectors of the community.				Old Dubbo Gael, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre	Liveability

OUR ACTIONS

IMMERSION

ACTION	NOW	SHORT 1-2 YRS	MED 2-3 YRS	LONG 3-4 YRS	CULTURE & ECONOMY PARTNERS The Cultural Development Team will work with the following divisional partners to ensure successful outcomes.	DRC PARTNER The Cultural Development Team will work with the following organisational partners to ensure successful outcomes.
5.0 Make creativity visible: Develop strategies to embed culture in the life of Council and the region.						
5.1 Place local culture at the heart of civic and community events.						
5.1.1					Economic Development and Marketing, Regional Events	Executive Services, Liveability
5.1.2					Economic Development and Marketing, Regional Events	Executive Services, Liveability
5.1.3					Economic Development and Marketing, Regional Events	Executive Services, Liveability
5.2 Creative and cultural impacts and outcomes are incorporated into urban planning and development projects.						
5.2.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure
5.2.2					Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure
5.2.3					Liveability, Development and Environment, Infrastructure	Liveability, Development and Environment, Infrastructure, Executive Services
5.2.4					Economic Development and Marketing,	Liveability, Development and Environment, Infrastructure,
5.3 Drive imaginative site-specific public artworks throughout the region (beyond the CBD).						
5.3.1					Economic Development and Marketing	
5.3.2					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure,

5.3.3	Ensuring placemaking and public art projects are delivered in partnership with the community, driven by public imagination and supported by professional creatives and local collaborators.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure,
5.3.4	Promote the location and significance of local public art to the community.						
6.0 Organisational values of Dubbo Regional Council support cultural growth and recognition.							
6.1 Council and Senior Leadership Team demonstrate cultural leadership and engagement.							
6.1.1	Council and Senior Leadership Team are encouraged to advocate for the role and impact of culture in the region.					Executive Services	
6.1.2	Council and Senior Leadership Team are encouraged to attend cultural events around the LGA.					Executive Services	
6.1.3	Foster a whole-of-Council approach to cultural development in our region.					All Divisions	
6.1.4	Council and Senior Leadership Team are encouraged to undertake cultural engagement training to gain an understanding of the role culture plays in our region.					Executive Services	
6.2 Increase reporting functions to Council on cultural impacts, projects, growth and value.							
6.2.1	Cultural outcomes related to the cultural plan are reported monthly at Dubbo Regional Council meetings with an annual "State of the Arts" report presented to the council.						
6.2.2	Develop a standardised internal evaluation system for cultural projects to aid evaluation for continuous improvement and reporting.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
6.2.3	Develop and implement Dubbo Regional Council LGA wide cultural surveys and evaluation measures to record valuable data such as attendance rates, demographics and impacts to ensure sustainability and continued relevance of programs and events.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability
6.3 Ensure the needs of the creative sector are appropriately captured in council plans and policies.							
6.3.1	Continue to facilitate opportunities for the community to consult and engage with the Council on matters pertaining to arts and culture.						
6.3.2	Collaborate across Council divisions to integrate creative elements into existing programs including sustainability, road safety, bush care and community services.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability, Development and Environment, Infrastructure, Executive Services,
6.4 Encourage Dubbo Regional Council cultural facilities to support local creative projects and programs aligned to their core mission.							
6.4.1	Dubbo Regional Theatre and Convention Centre - local theatre, dance, performance and film.					Dubbo Regional Theatre and Convention Centre	
6.4.2	Macquarie Regional Library - local literature and writing.						Liveability
6.4.3	Old Dubbo Gaol - local history and historical Immersion.					Old Dubbo Gaol	

6.4.4	Wellington Caves - stem, archaeology, palaeontology, geology, ecology.				Wellington Caves	
6.4.5	Dubbo Showground - larger community and regional events.				Dubbo Showground	
6.4.6	Western Plains Cultural Centre - local history/visual arts/small scale local theatre, dance, performance and film.				Western Plains Cultural Centre	

7.0 Recognising and sharing the living culture of our regions first people.						
7.1 Agency and voice supported.						
7.1.1	Encourage ongoing collaboration and dialogue with our Indigenous community to address shared priorities regarding cultural heritage and methods for improving procedures, promotion, policy and programs.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
7.1.2	Provide opportunities for the story of Wiradjuri culture to be told by Wiradjuri people.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	Liveability
7.1.3	Ensure that Aboriginal cultural programs run in the Local Government area are undertaken in a culturally appropriate manner by consulting with Aboriginal people.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	All Divisions
7.1.4	With permission and through cultural protocol, investigate the opportunities to implement shared language programs.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
7.1.5	With permission and through cultural protocol, create an "Aboriginal Cultural Heritage Strategy" that includes (but is not limited to) plans for a heritage walk, connecting public art, cultural facilities, sites of importance and online programming.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Economic Development and Marketing, Regional Events	Liveability
7.2 Indigenous culture and contemporary art practices are supported by dedicated programming and development programs.						
7.2.1	Grow our local Aboriginal led cultural programming and event development expertise.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events	

7.2.2	Develop strategies that encourage Dubbo's national and international reputation as a vibrant hub for Indigenous culture and creative expression.					
7.2.3	Develop dedicated digital content and increase accessibility to, and visibility of local Aboriginal culture.					
7.2.4	Support Aboriginal leaders, artists and community to share their culture via research, events, programs, venues and markets.					
7.3	Professional development opportunities to support creative career opportunities are developed.					
7.3.1	Provide access to Indigenous creative business training opportunities and start-up development support.				Economic Development and Marketing	
7.3.2	Provide access to facilities for the display and sale of local cultural product.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Economic Development and Marketing,	
7.3.3	Develop new partnership models to support the growth and sustainability of Aboriginal enterprises, and support programs and projects that add value to the city's portfolio of Indigenous arts and cultural experiences.				Economic Development and Marketing	

8.0 Support local cultural providers

8.1 Ensure arts and cultural festivals and events encompass regional creativity and provide an opportunity for local creatives

8.1.1	Partner with regional festival and event organisers to increase opportunities for regional creativity to be included in the program.				Regional Events	
8.1.2	Investigate increased regional cultural event funding that supports the development and inclusion of creatives from the LGA.				Regional Events	
8.1.3	Investigate strategies for increasing local creative content presentation at Dubbo Regional Council facilities.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground,	Liveability

8.2 Skills of local creatives are valued and recognised through their engagement as service providers for DRC.

8.2.1	DRC to increase the use of local creative practitioners to provide goods and services for Council projects and programs and to compensate according to industry standards (NAVA, Musicians Union of Australia, etc).				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	All Divisions
8.2.2	Working in conjunction with arts organisations to set up a database of local artists, administrators and creative professionals for use as a Council and community resource.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	All Divisions
8.2.3	Promote and support a culture of shopping locally to support the efforts of local artisans and creative businesses and service providers.				Economic Development and Marketing	



OUR ACTIONS

GROWTH

ACTION	NOW	SHORT 1-2YRS	MED 2-3 YRS	LONG 3-4 YRS	CULTURE & ECONOMY PARTNERS	DRC PARTNER
<p>The Cultural Development Team will work with the following organisational partners to ensure successful outcomes.</p>						
9.0 Improved communication strategies to increase awareness of cultural activities around the region.						
9.1 Development of a Dubbo Regional Council cultural communications strategy to support the unified and strategic promotion of the Dubbo Regional Council cultural facilities and programs.						
9.1.1	Establish a strategy with a view to broadening and deepening audience engagement with culture.					
9.1.2	Investigate the establishment of a Dubbo Regional Cultural website to facilitate communication, promotion and networking.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
9.1.3	Invest in increased cultural content on the council websites and social media channels with accessible information on cultural offerings.					Executive Services
9.2 Improve support for community, not-for-profit or small business cultural projects and programs to promote to the public.						
9.2.1	Provide a regional arts information hub accessible to the creative sector and the community.					
9.2.2	Leverage promotional platforms including e-newsletters, websites, noticeboards and explore new platforms to stimulate audience attendance, engagement and response.					
9.2.3	Review events promotion and events calendar listing processes to improve ease of access for community and cultural groups.				Regional Events	
9.3 Communication strategies and formats support the dissemination of information.						
9.3.1	Ensure language used around culture is open and welcoming.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
9.3.2	Improve communication and access to information by promoting and utilising nationally approved translation and interpreting services and considering accessible formats for materials.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	

10.0	Stimulate and support the growth and viability of the region's cultural and creative industries through targeted and strategic investment. *Meets Create NSW Regional Priority						
10.1	Investigate the impact of the creative sector to our region.						
10.1.1	Research the economic impacts, engagement levels and social impact of culture in the LGA, Use a coordinated approach to measure the impact of the creative sector on the community that includes looking beyond economic multipliers.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
10.1.2	Recognise and champion the central role of creativity, the cultural sector and the creative industries as drivers of innovation and growth in the broader economy.					Economic Development and Marketing,	
10.2	Develop programs to support the growth of the creative industries as a viable economic sector.						
10.2.1	Work with partners to create training and employment pathways for the creative industries economy.					Economic Development and Marketing,	
10.2.2	Work with the arts sector to explore social enterprise models for business growth and the small business ecology of the region, including initiatives to support creative start-ups and businesses.					Economic Development and Marketing,	
10.3	Funding opportunities that support cultural outcomes.						
10.3.1	Develop sponsorship or partnership programs with local businesses to support regional festivals and cultural programs.					Economic Development and Marketing,	
10.3.2	Investigate the development of creative industry funding models and partnership opportunities which increase investment in the local creative sector.					Economic Development and Marketing,	
10.3.3	Support investment in the city by encouraging creative industry organisations and businesses to establish in the region.					Economic Development and Marketing	
11.0	Support the continued growth a a professional creative sector. *Meets Create NSW Regional Priority						
11.1	Training and professional development opportunities are supported.						
11.1.1	Recognise the Cultural Sector as a dynamic, viable and growing economic sector One that contributes to the economic growth of the region both through its own work and its contribution to regional vitality, economic diversity and business attraction						
11.1.2	Facilitate opportunities for creative practitioners to access technical expertise and equipment to inspire new skills and creations continually.						
11.1.3	Develop more opportunities for creative co-working, mentorship/networking and professional development.						
11.1.4	Facilitate opportunities for creative practitioners to economic development and business support opportunities that encourage sustainability and professional expertise,						
11.2	Administration and business support for volunteer organisations.						
11.2.1	Annual Business and Skills Development workshops are held regularly to provide access for volunteer and not-for-profit groups to access ongoing training and skills development.					Economic Development and Marketing	
11.2.2	Investigate issues of sustainability for the cultural sector, in particular issues around succession planning needs to enable ongoing cultural growth.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events	
11.2.3	Encourage the dissemination of volunteer group information including links to relevant organisations on Council's website.						Executive Services
11.2.4	Increase volunteerism in the cultural sector and explore ways to make volunteering a more enriching experience.						



12.0	Education opportunities and youth development programs are supported				
12.1	Ensure emerging young creatives have pathways to growth and development.				
12.1.1	"Young Creative Development" program established to provide networking and mentoring opportunities that can help provide opportunities for emerging talent.				
12.1.2	Provide opportunities for visiting creatives to connect to local youth to encourage ongoing creative engagement.			Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events	Liveability,
12.1.3	Develop partnerships with young people and regional youth groups and support services to encourage active engagement and involvement in cultural activities across the region.			Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events	Liveability,
12.2	High-quality education and creative skills development opportunities are available to children across a range of creative formats.				
12.2.1	Develop cultural programs that support creative engagement for children from a young age.			Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre,	Liveability,
12.2.2	Black Box Creatives Youth Theatre development program continues to be supported.			Western Plains Cultural Centre	
12.2.3	Support programs and organisations that provide access and training for young people in the cultural sector				
12.3	Explore opportunities for the broader involvement of local educational institutions in developing and supporting local artists, organisations and initiatives.				
12.3.1	Develop active links between the creative industry and the education sector that establish career pathways for future generations.			Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre,	Liveability,
12.4	Development of region wide cultural education strategy.				
12.4.1	Development of an education strategy that sets out the principles of education program development, including curriculum links and expected outcomes for facilities within Visitor Experiences and across the remit of the Cultural Development Team and other facilities as required.			Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre,	Liveability, Dubbo Regional Theatre and Convention Centre,

OUR ACTIONS

DISTINCTION

ACTION	NOW	SHORT 1-2 YRS	MED 2-3 YRS	LONG 3-4 YRS	CULTURE & ECONOMY PARTNERS	DRG PARTNER
13.0 Recognise and value our cultural communities' unique contribution to our regional identity.						
13.1 Celebrate and support the unique identities of our villages and towns.						
13.1.1						
13.1.2						
13.1.3						
13.1.4						
13.1.5						
14.0 Recognise and leverage our region's distinct cultural identity, raising its profile as a centre of creative excellence.						
14.1 Position Dubbo and Region as the leaders of Regional Cultural Production.						
14.1.1					Economic Development and Marketing.	
14.1.2						
14.1.3					Economic Development and Marketing.	
14.2 Investigate strategies for the distribution of locally developed cultural product out of the LGA						
14.2.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre,	
14.2.2						
14.3 Develop cultural programs that raise the profile of the region (outside the LGA) as a leading cultural voice.						
14.3.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Regional Events	

14.3.2	Investigate the establishment of an international biennial of land/environment art at Wellington Caves.				Wellington Caves, Western Plains Cultural Centre, Regional Events.	
14.3.3	Investigate the development of a National Art Prize .				Western Plains Cultural Centre	
14.4 Creative Networks are encouraged						
14.4.1	Encourage the development of cultural outcomes as part of existing sister city relationships.					Liveability, Executive Services.
14.4.2	Investigate the establishment of 'cultural sister city' relationships to create co-operative programs and opportunities with a number of regions across Australia (both urban and regional).					
14.4.3	Present one collaborative cross-institution (external to LGA) project biannually.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre.	
14.4.4	Increase the region's cultural capacity by investigating the establishment of a foundation to support arts and culture in the region.					
15.0 Promotional strategies to highlight the regions cultural identity. *Meets Create NSW Regional Priority						
15.1 Provide a central role for arts and culture in driving the regions tourism destination offerings						
15.1.1	Ongoing and proactive promotion of regional cultural offerings to align with tourism, destination marketing and economic development platforms to ignite and sustain interest in the region's arts and cultural offerings.				Economic Development and Marketing.	
15.1.2	Partner with Destination Country and Outback NSW position the region as a leading centre for cultural tourism in NSW.				Economic Development and Marketing.	
15.2 Development of a Regional Cultural 'Brand'						
15.2.1	Review existing marketing and promotional strategies for arts, culture, history and heritage across the region and work with relevant partners to reposition and improve the branding and awareness of cultural opportunities.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Regional Events, Economic Development and Marketing.	
15.2.2	Establishment of a clear regional cultural brand to assist with the promotion of our cultural identity.				Economic Development and Marketing.	
15.3 Increase cultural representation in established civic promotional opportunities						
15.3.1	Utilise street banners for the promotion of cultural activities and identify new means of providing public signage for upcoming events and programs.				Economic Development and Marketing.	
15.4 Ongoing critical engagement.						
15.4.1	Increase engagement with the media to develop opportunities for regional arts reporting.					
15.4.2	Increase access for the public to talks, lectures, presentations and cultural programs that explore culture and heritage and encourage robust ongoing learning.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre,	Liveability
15.4.3	Support the publication of a regional newsletter to promote cultural and creative activities.					
15.4.4	Investigate the development of a regional critical engagement platform to support critical writing, review and research.					

OUR ACTIONS

ACCESSIBILITY

ACTION	NOW	SHORT	MED	LONG	CULTURE AND ECONOMY PARTNERS	DIRC PARTNER
	1-2 YRS	2-3 YRS	3-4 YRS		The Cultural Development Team will work with the following divisional partners to ensure successful outcomes.	The Cultural Development Team will work with the following organisational partners to ensure successful outcomes.
16.0	A dedicated network of accessible arts and cultural facilities to support our changing needs.					
16.1	Develop and optimise places and spaces for creatives to connect, create, collaborate and show.					
16.1.1						Liveability, Development and Environment, Infrastructure, Executive Services
16.1.2					Economic Development and Marketing.	
16.1.3						Liveability, Development and Environment, Infrastructure, Executive Services
16.1.4					Economic Development and Marketing.	
16.2	Foster an understanding of the challenges in accessing space for cultural activities and implement solutions when possible.					
16.2.1						Development and Environment.
16.2.2					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Economic Development and Marketing, Regional Events.	Liveability
16.2.3					Economic Development and Marketing, Regional Events.	Liveability, Development and Environment, Executive Services.

17.0	Share and encourage programming across all our communities.					
17.1	Develop strategies to share cultural programming across all villages, towns and communities.					
17.1.1	Review current cultural services and annual programs provided in Dubbo and ensure equity of access to these or like services in villages and towns.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events.
17.1.2	Increase opportunities for LGA wide planning with events, festivals and annual programming across Dubbo, Wellington and the villages to foster inclusion and sense of community.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events.
17.1.3	Review how cultural programs can be adapted to include display/performance opportunities in our villages and towns.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events.
17.1.4	Initiate audience development and communications plan to encourage residents to visit and support the cultural offerings across the LGA.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Economic Development and Marketing, Regional Events.
17.2	Investigate transport options that enable isolated communities to access cultural events.					
17.2.1	Review transport options between the city, towns and villages to increase the ease of access to events across the region.					Liveability, Development and Environment.
17.2.2	Work with transport providers to review the location and placement of public transport routes and stops to encourage access to cultural facilities and sites.					Liveability, Development and Environment, Executive Services.
18.0	Develop strategies to encourage access to culture for all of our residents.					
18.1	Prioritise accessibility in all creative and cultural programming.					
18.1.1	Undertake a report into accessibility needs at all DRC managed cultural facilities, including disability access, signage, and presentation of information, public or education programs, and planning and communication strategies.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Regional Events, Economic Development and Marketing.

18.1.2	Ensure programming across DRC venues speaks to inclusivity within our community, providing programs that support diversity around race, gender, sexuality, age, cultural background, perspectives and abilities.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Regional Events, Economic Development and Marketing.	Liveability,
18.1.3	Ensure access, and inclusivity strategies for cultural engagement are included as programming outcomes and reported annually.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Dubbo Showground, Regional	Liveability,
18.2	Develop strategies to review the format, location or methods of presenting culture to respond to issues around disability access, cultural differences.					
18.2.1	Take programming outside of traditional spaces and into the community.					
18.2.2	Investigate how DRC can ensure key cultural programs can include resourcing for communication material for CALD audiences, Auslan audiences or the vision impaired.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events.	Liveability,
18.2.3	Work with cultural leaders to increase opportunities for communication and cultural programming to include Wiradjuri language.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events.	Liveability,
18.3	Amplify participation in culture by reducing barriers.					
18.3.1	Improve accessibility to public events by simplifying and supporting the planning of smaller-scale events.				Regional Events.	
18.3.2	Provide information for cultural groups on ways to include people with a disability in their membership, activities and audience.					
18.3.3	Plan and implement cultural activities for people with a disability in partnership with relevant external organisations and DRC Liveability Division.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre, Regional Events.	Liveability,
18.4	Support a strategic audience development program for cultural facilities and events.					
18.4.1	Create a strategic plan for audience development across DRC Cultural facilities to find opportunities, synergies and shared resourcing.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	
18.4.2	Explore opportunities to build long-term engagement and repeat visitation to Dubbo Regional Council cultural facilities, including cross visitation across a number of venues.				Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	
18.4.3	Correctly understand audience segments and their aspirations.					

OUR ACTIONS

COMMUNAL

ACTION	NOW	SHORT 1-2 YRS	MED 2-3 YRS	LONG 3-4 YRS	CULTURE & ECONOMY PARTNERS The Cultural Development Team will work with the following divisional partners to ensure successful outcomes.	DRC PARTNER The Cultural Development Team will work with the following organisational partners to ensure successful outcomes.
19.0	Develop cultural initiatives that are founded in providing civic benefits, social connectivity and respond to our developing region.					
19.1	Encourage participation in the arts as a method of provoking thoughtful conversations about local issues					
19.1.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.
19.1.2						
19.1.3						
19.1.4						Executive Services
19.2	Support cultural programming that promotes social inclusion and addresses important social issues.					
19.2.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.
19.2.2					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.
20.0	Diversity is celebrated.					
20.1	Diversity is valued as a strength.					
20.1.1					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	
20.1.2						

20.1.3	The diversity of our region is celebrated in regional marketing and promotional campaigns.					Economic Development and Marketing	
20.2 The stories of all who live here are welcomed and shared.							
20.2.1	Increase the opportunities and platforms to tell local stories.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.
20.2.2	Interpret and profile the diverse heritage and multicultural narratives of the region.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.

21.0 Place culture at the heart of community resilience and wellness.							
21.1 Develop programs that encourage social inclusion							
21.1.1	Initiate, facilitate and support community cultural development activities that reduce isolation and enhance emotional wellbeing including for older people, young families and new residents.						
21.1.2	Ensure DRC cultural venues are valued as a friendly, community spaces for all community members.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre.	Liveability.
21.2 Promote connections between culture and community wellbeing.							
21.2.1	Educate Council and the community on the inherent value of cultural experiences to an individual's wellbeing.						
21.2.2	Investigate the development of Wellington as the centre of 'Creative Wellness' with strategies to position the town as the destination for creative wellness in NSW.					Economic Development and Marketing.	
21.2.3	Maintain and enhance the Library services as a central community hub that is accessible to all, encourages social interaction, enhances cultural connection and contributes to community wellbeing.						Liveability.

22.0 Increasing opportunities for the community to connect with creative and heritage groups in the region							
22.1 New residents attraction							
22.1.1	Increase the representation of community cultural groups at new residents events.					Economic Development and Marketing.	
22.1.2	Include cultural diversity and access as a new resident's attraction strategy.					Economic Development and Marketing.	
22.2 Develop strategies to increase local engagement with local creative and cultural groups.							
22.2.1	Partner and support community-driven festivals and events that encourage broad participation and build new audiences for the arts.					Regional Events.	
22.2.2	Provide opportunities for the development of projects that can facilitate intergenerational connections, knowledge-sharing and storytelling.					Old Dubbo Gaol, Wellington Caves, Western Plains Cultural Centre, Dubbo Regional Theatre and Convention Centre. Regional Events.	Liveability.
22.3 Facilitate networking opportunities between cultural stakeholders across the region and beyond.							
22.3.1	Establish biannual community/cultural networking events to support the promotion of cultural groups to the broader community and facilitate networking opportunities.					Economic Development and Marketing.	





ACKNOWLEDGEMENTS

Dubbo Regional Council would like to thank

Arts and cultural stakeholders who participated in one or more workshops and meetings at:

Western Plains Cultural Centre
 Dubbo Regional Theatre and Convention Centre
 Macquarie Regional Library
 Dubbo RSL
 Club Dubbo
 Wellington Senior Citizens Centre
 Wellington Soldiers Club
 Geurie Bowling Club
 Wongarbron Community Hall

Community members who provided submissions.

This plan was developed by the Cultural Development Team of Dubbo Regional Council in collaboration with a number of council and community stakeholders and the wider regional community.

¹Australian Bureau of Statistics, residents of Wellington and Dubbo who listed their "Industry of Employment by Occupation" as "Arts and recreation services". 2011 it was 234 people in 2016 it was 316.

Image: Triple J One Night Stand event (c) Dubbo Regional Council

