



**I hereby give notice that a Workshop to present the External Audit Findings (EAFs) Progress will be held held over 2 days on 3 & 4 October 2022:**

<b>Day 1:</b>	<b>3 October 2022 (3:00pm – 5:00pm)</b>
<b>Day 2:</b>	<b>4 October 2022 (9:00am – 12:00Noon)</b>
<b>Location:</b>	<b>Norfolk Island Regional Council Chambers</b>

# **AGENDA**

## **Workshop – External Audit Findings 3 & 4 October 2022**

**Andrew Roach  
General Manager**

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## 1 INTRODUCTION BY THE NIRC ADMINISTRATOR

### ADMINISTRATOR INTRODUCTION

At the Ordinary Council Meeting held 7 September 2022, it was resolved to hold a Council Workshop on Monday 3 and Tuesday 4 October 2022 for the purpose of reviewing the status of implementing the External Audit Findings (EAFs) as contained in the reports received by Council on 24 February 2021 (Resolution No. 2021/3) from external consultants Grassroots Connections Australia and Nexia Australia; and conclusions that resulted from the Public Inquiry undertaken in 2021 received by Council 21 December 2021 (Resolution 2021/172), including the extent of resourcing required.

These workshops, to be held over 2 days, will provide the NIRC management with an opportunity to update the community with the progress and current status of the External Audit findings (EAFs) to date.

### RESOLUTION 2022/1

The Administrator resolved:

1. That Council note the progress of implementation of the 120 EAFs as at 30 June 2022; and  
That a workshop be held on Monday 3 and Tuesday 4 October 2022 for the purpose of reviewing the progress of the remaining EAFs including the extent of resourcing required; and
2. That the workshop be open to the Public to observe.

### WORKSHOP FORMAT

The format for the Workshop will be as follows.

The Workshop will be open to the public and livestreamed, with a copy of the recorded livestream being made available on the Council's website following the conclusion of the 2 day workshop.

The workshop will follow the structured process below, with questions being posed to the Managers only by the Administrator.

#### Day 1 – 3 October

1. The Administrator opens the meeting
2. Presentation by the General Manager:  
The General Manager will provide a briefing on the overall current status of progress to date on the External Audit Findings (EAFs), and the Council's plan for their completion.
3. Presentation of External Audit Findings by NIRC Managers:
  - (a) General Manager
  - (b) Managers of Corporate and Finance, and
  - (c) Manager of Customer Care

Each manager will provide a presentation on the status of their assigned outstanding EAFs. The NIRC Administrator will pose questions at the conclusion of the presentation for each manager.

**DAY 2 – 4 October**

1. Administrator opens the meeting
2. Presentation on of External Audit Findings by NIRC Managers:
  - (a) Manager of Environment and Planning
  - (b) Manager of Infrastructure Services, and
  - (c) Manager of Economic Development

Each manager will provide a presentation on the status of their assigned outstanding EAFs. The NIRC Administrator will pose questions at the conclusion of the presentation for each manager.

Close of Workshop.

## 2 GENERAL MANAGER'S PRESENTATION

### BACKGROUND

On 4 February 2021, Assistant Minister Nola Marino suspended the Council and appointed Mr Mike Colreavy as Interim Administrator pending a Public Inquiry into the Financial Operations of NIRC.

There were many challenges during this period particularly focused on improving the financial position of Council and developing the framework around delivering the External Audit Findings (EAFs) of the Grassroots Connections and Nexia reports.

A resolution was made in February 2021 to report quarterly on the EAFs, providing updates to the community on the change program that commenced under Interim Administration. This report focused on the short term EAFs that could be achieved, with longer term change identified to be addressed at a point outside of this reporting period.

Council management commenced a review of its financial position as well. Given the financial bailout of the Commonwealth in December 2020 of \$3M, it remained committed to ensuring our cash position remained positive during the last six months of the reporting period. Our final cash position at 30 June 2021 was \$5.3M.

### 24 February 2021

Final reports from Grassroots Connections Australia and Nexia Australia were received by Council in December 2020, with a total of 113 recommendations presented for consideration.

At the Council meeting held on 24 February 2021 the following was resolved.

#### Resolution No: 2021/3

*1. That Council adopts all Recommendations (total of 113) as presented in the External Audit Reports prepared by:*

*a) Grassroots Connections Australia - "Norfolk Island Regional Council Independent Governance and Financial Audit" Report dated 15 November 2020 (84 recommendations) (Attachment 1).*

*b) Nexia Australia - "Independent Audit of Financial Performance" Report dated 30 October 2020 (29 recommendations) (Attachment 2).*

*2. That Council instructs the General Manager to commence initial planning with scoping of work / projects and the development of detailed business cases where necessary, so that key deliverables, budget requirements and delivery timeframes can be clearly identified and agreed, thereby enabling priorities to be set, and a program of work to be determined.*

*3. That Council continue to liaise with the Department of Infrastructure, Transport, Regional Development and Communications for appropriate funding sources when developing priorities of the adopted recommendations.*

Based on a projected implementation timeframe for unfunded recommendations, estimated costings in current and future years are as follows:

Target Timeframe	No. of Recommendations (unfunded) <sup>1</sup>	Estimated Cost
Short (1-12 months)	12	\$365,000
Medium (1-2 years)	35	\$10,155,000
Long (2 years plus)	21	\$33,530,000
<b>Total</b>	<b>68<sup>1</sup></b>	<b>\$44, 050,000</b>

**NOTE:**

<sup>1</sup>The unfunded recommendations are defined as those that are allocated a dollar figure under the heading of “Estimated Costs” in the table presented in Attachment 3. The figure of 68 includes those recommendations where the “costs” are cross referenced to another unfunded recommendation, and no specific amount has been shown.

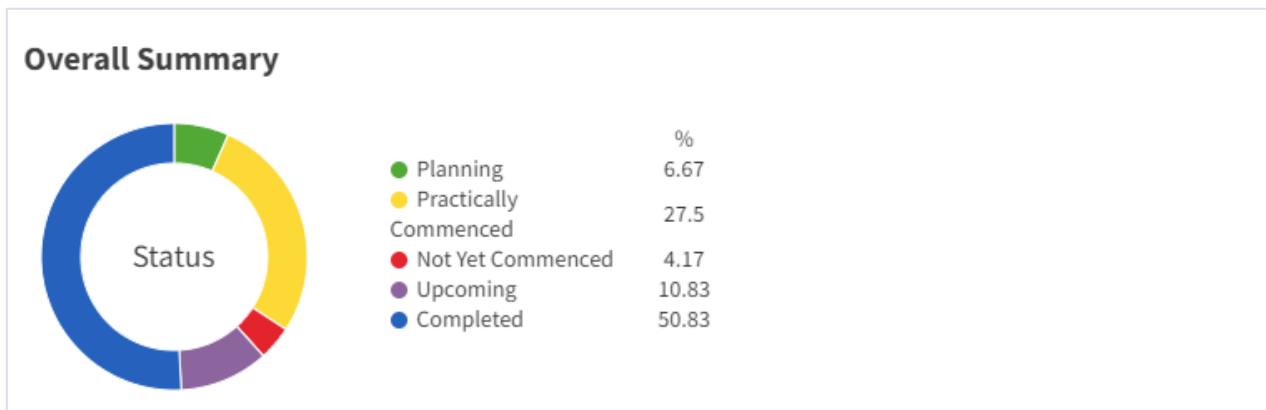
The EAF progress updates have been reported back to Council on a quarterly basis providing updates on each item. At the Council Meeting held 7 September 2022, the Administrator resolved to hold a Council Workshop on Monday 3 and Tuesday 4 October 2022 for the purpose of reviewing the progress of the remaining EAFs including the extent of resourcing required.

**SUMMARY OF EAF PROGRESS**

**Overall Summary**

The graph below provides a summary in % of the progress of the status of each of the EAFs in relation to their status label.

- Practically Commenced – The EAF has been commenced.
- Planning – The EAF is in the planning stages and in progress.
- Not Yet Commenced – The EAF has not yet been commenced.
- Upcoming – The EAF is scheduled to be commenced next financial year.
- Completed – The EAF has been actioned and is considered to be completed.



**3. PRESENTATION BY MANAGERS**

The workshop will now move to the presentation by each of the NIRC Manager as to the status of their assigned External Audit Findings.

**ATTACHMENTS:**

1. EAF Repot as at 30 Septemer 2022 - Outstanding EAF
2. EAF Repot as at 30 Septemer 2022 - Completed EAF

**Report**  
**External Audit Findings Status**

**Completed Items Only**



## EAF Status - Public View - Completed Items Only

Council Workshop - External Audit Findings - 3 & 4 October 2022

External Audit Findings (EAF)

Report Created On: Sep 29, 2022

Plan Number	EAF Number	Description	Owner	Last Update	Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
Finding 2.3.1	1	001 - That NIRC consider re-making its Advisory Committee Structure through the establishment of four Council Committees: <ul style="list-style-type: none"> <li>• Services</li> <li>• Planning &amp; Environment</li> <li>• Finance &amp; Corporate Services</li> <li>• Economic Development</li> </ul>	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> Advisory Committees are in place and operating as BAU.				Yes	Completed
Finding 2.3.2	2	002 - That input to these Committees be provided for interest groups and individuals on invitation ensuring the opportunity for community engagement into NIRC's strategic and policy development processes.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> The Committees are in place and operating as BAU.				Yes	Completed
Finding 2.2.1	3	003 - That efforts continue to align the CSP outcomes with operational delivery and to improve line-of-sight between the higher order strategies and operational/service delivery standards.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> This item is closed and transferred to BAU by the adoption of the 22-26 Delivery Plan.				Yes	Completed
Finding 3.1.1	4	004 - That the content of the Annual Report seek improved focused on reporting performance/ implementation against the CSP outcomes and strategies.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>• Completed. Transferred to BAU.</li> <li>• Links to Open gov - AIW/RN - Business paper for May Council Meeting.</li> </ul>				Yes	Completed
Finding 3.2.1	6	006 - That the resourcing of the Audit/Risk Management function be reviewed after twelve months to assess its adequacy	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>• Now happening as part of the 22/23 budget development.</li> <li>• Transferred to BAU.</li> </ul>				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.3.3	10	010 - That the fortnightly meeting between NIRC and DITRDC on-Island staff continue to address operational issues.	Gregory Roy	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>• Business Paper submitted to Council Meeting 7 April 2021. Council noted that NIRC will continue to support the need for fortnightly meetings between NIRC operational staff and DITRDC on-island staff.</li> <li>• All action is finalised and EAF completed.</li> <li>• Transferred to BAU.</li> </ul>				Yes	Completed
Finding 2.3.4	11	011 - That NIRC and DITRDC consider restructuring the quarterly meeting to discuss strategic issues to include: <ul style="list-style-type: none"> <li>• NIRC Mayor &amp; GM</li> <li>• The Administrator</li> <li>• Assistant Secretary DITRDC</li> </ul>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>• To be progressed in 2021-2022 with a meeting schedule to be developed.</li> <li>• This process has been established, acknowledging that Council is now in Administration. Meetings are now held monthly between The Department's FAS, Council Administrator &amp; CEO. Council's Administrator &amp; CEO meet directly with the Island Administrator monthly.</li> <li>• Operating as BAU</li> </ul>				Yes	Completed
Finding 2.2.2	12	012 - That these quarterly meetings be held face-to-face alternating between Canberra and Norfolk Island.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Rotation occurs on the basis of the availability of personnel and other matters. This matter has been transferred to BAU.</p>				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.4	14	014 - That NIRC seek membership of the Commonwealth and State agencies inter-agency forum to build mutual understand, working relationships and opportunities for collaboration between NIRC and these agencies.	Andrew Roach	<p><b>Progress as at 30 Sept (1 Jul to 30 Sep 2022):</b></p> <ul style="list-style-type: none"> <li>This continues to be developed, but significant steps have been taken to open lines of communication across relevant Departments. This will mature in time, but the process has been rewarding to date.</li> <li>Council has now been invited to attend monthly Agency meetings with the Administrator commencing May 2022</li> </ul>					Completed
Finding 2.2.7	17	<p>017 - That a Liaison Committee be established to provide inputs into:</p> <ul style="list-style-type: none"> <li>Norfolk Island 2030 - Sustaining our Future</li> <li>The Norfolk Island Community Strategic Plan</li> <li>Review of the Planning Act 2002 (NI)</li> <li>The Norfolk Island Plan Review.</li> </ul>	Andrew Roach	<p><b>Progress as at 30 September 2022:</b></p> <p>Completed. EAF 17 is linked to EAF 16</p> <p><b>Progress as at 30 June 2022 (1 Apr to 30 June 2022):</b></p> <p>This work has commenced and is progressing with input particularly from the Sustainability Committee. There is still a lot of structure to put into place before this item progresses significantly.</p>	31/05/2023	\$10,000	<p>Linked to 2.2.6 EAF 16</p> <p>Peak Services Team. Adopting Plan created by Administrator's Office.</p>		Completed
Finding 2.2.9	20	020 - That a qualified planner be recruited as net additional to the current staff establishment and related staff budget, preferably a post-graduate with some (if limited) experience at the right level.	Philip Reid	<p><b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b></p> <ul style="list-style-type: none"> <li>Preliminary assessment has been conducted of Planning staff resources. No immediate need is justified for additional resources.</li> <li>GM Delegations now in place, easing burden on Planning staff to prepare additional documentation for Council meetings.</li> <li>Requirement for additional Planning staff will be monitored on an ongoing basis and any change in resourcing needs will be referred to the General Manager for consideration and a determination.</li> <li>All action is finalised and EAF completed.</li> </ul>					Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 4.1.3	21	021 - That budget allocations be increased to ensure that planning staff can sustain Continuous Professional Development and have one attendee at the annual NSW Planning Institute of Australia State conference.	Philip Reid	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed. Transferred to BAU.</li> <li>Conference attendance approved.</li> </ul>				Yes	Completed
Finding 3.2.3	23	023 - That NIRC consider negotiations with Port Macquarie-Hastings Council to extend the Agreement for resource support for <ul style="list-style-type: none"> <li>Assessment of complex DA's.</li> <li>Strategic planning work.</li> <li>Mentoring and training.</li> <li>Ensuring updated knowledge and awareness of NSW issues and practices.</li> </ul>	Philip Reid	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed. New relationship with LGAQ &amp; Peak Services meets this need.</li> <li>Bundaberg City Council has decided against proceeding. Further avenues will now be explored.</li> <li>Transferred to BAU.</li> </ul>				Yes	Completed
Finding 2.2.11	27	027 - That DITRDC work with NIRC and Parks Australia to resolve – with very high priority - waste disposal issues including the cessation of the disposal of waste at Headstone acknowledging that this will require funding from the Commonwealth Government.	Philip Reid	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  New waste management infrastructure has been secured together with the appointment of a contractor to operate the WMC.					Completed
Finding 2.2.12	29	029 - That the Ports Management Strategy – including the approval processes, design and construction timeline be finalised in order to secure facilities that support NIRC to achieve bio-security compliance.	Philip Reid	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Completed. Ports Management Plan completed and accepted by Department.  First Point of Entry transitional work is underway and likely to be finalised during late 2021 / early 2022		\$85,000		Yes	Completed

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			Owner	Last Update					
Finding 3.1.4	30	030 - That the Commonwealth and NIRC establish a task force to address the issue of planning, resourcing and implementation of a strategy to protect the unique biodiversity of Norfolk Island.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022)</b></p> <p>NIRC has multiple forums with the Commonwealth and community broadly on protection of the island's biodiversity. This includes the Reserves and Conservation Advisory Committee, National Parks Advisory Committee and routine meetings with both DITRDCA and Parks Australia regarding environmental issues, including protection of biodiversity of public and private land. This will also be consulted on through the NI Plan comprehensive review.</p>	N/A	N/A	N/A		Completed
Finding 3.1.5	31	031 - That NIRC undertake a review to establish the funding mechanism, and structure and staffing capacity of the NIRC Environment Team to manage implementation of the Pest Management Strategy following its adoption - including the eradication of the Argentine Ants having high priority.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <ul style="list-style-type: none"> <li>Four years of funding for the Argentine Ant Eradication Program has been secured from the Commonwealth, through to FY26. Some priorities identified in the Pest Management Plan have been funded under the SDA where they relate to the Public Reserves. Some minor funding obtained from the Lord Mayor's Charitable Foundation has been provided for a community-based rat control program. No other initiatives, such as cat or island-wide rate eradication has been funded to date.</li> <li>Transferred to BAU</li> </ul>	30 June 2026	\$3.2 million across 4 years (including both AAEP and Public Reserves)	Service Delivery Agreement (SDA)	Yes	Completed
Finding 3.1.6	32	032 - That the NIRC and the Commonwealth develop a joint strategy to address the issue of PFAS contamination on Norfolk Island.	Philip Reid	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Transferred to BAU.</li> <li>PFAS contamination remediation work is in progress.</li> </ul>			DITRDC	Yes	Completed

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			Owner	Last Update					
Finding 3.2.6	34	034 - That a training and collaborative working arrangements between the NIRC Building Officer and Customer Care staff be put in place.	Philip Reid	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Transferred to BAU</li> <li>A review of this EAF has considered that building approval/inspection advice is best provided by the Building and Planning Team. Customer Care will be advised of the process for customers with building-related questions. Relocation of all customer-facing functions to Bicentennial Building will assist in this.</li> </ul>			In house	Yes	Completed
Finding 3.2.8	36	036 - That DITRDC and NIRC undertake a review of the Statutory Appointments system to <ul style="list-style-type: none"> <li>Establish improved working and management reporting arrangements</li> <li>Include consideration of more delegation of authority by the Minister to the General Manager for non-judicial appointments.</li> <li>Clarify that statutory appointed staff report directly to the General Manager (or delegate) to remove any confusion as to their accountability.</li> </ul>	Paul Martin	<p><b>Progress as at 30 June 2022 (1 Apr to 30 June 2022):</b></p> <p>The Statutory Appointments report has gone to Council. This matter is now complete.</p>					Completed
Finding 2.2.13	37	037 - That DITRDC and NIRC jointly conduct a review of the terms of the Service Delivery Agreement to ensure resource capacity, fairness of requirements as well as providing adequate services to the community.	Andrew Roach	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Completed as at 1/07/2022.</p> <p>The review has been completed and is reflected within the 22-23 Service Delivery Agreement. This review is ongoing.</p>	01/07/2022				Completed
Finding 2.2.14	42	042 - That the true financial position of NIRC inclusive of necessary capital projects and operational adjustments be considered when evaluating what infrastructure and service responsibilities are retained by NIRC and in establishing the financial assistance grant that is required from the Commonwealth.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This matter is closed and transferred to BAU as enhancements to NIRC financial management is covered in detail elsewhere.</p>				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.15	43	043 - That NIRC continue to levy rates on rateable assessments using a combination of a base charge and a rate in the dollar.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This item is closed and transferred to BAU. The rating process will mature over time.				Yes	Completed
Finding 3.2.10	44	044 - That NIRC consider the benefits and costs of requesting fresh valuations to be undertaken to ensure that land valuations appropriately reflect easements and other encumbrances (including useability) based on a combination of desktop analysis and on-ground assessment of land parcels.	Paul Martin	<b>Progress as at 30 June 2022 (1 Apr to 30 June 2022):</b>  New land valuation has been completed and being used in the calculation of rates for the 22-23 Financial Year.					Completed
Finding 2.1.5	46	046 - That NIRC continue to apply a waste (import) levy to help fund waste management activities.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Completed with the adoption of the 22-23 budget. Transferred to BAU.				Yes	Completed
Finding 3.2.12	47	047 - That NIRC consider phasing in moderate increases in waste disposal fees to help fund increasing waste management obligations, noting that any significant increases will increase the risk of illegal burning, burial and dumping of waste.	Paul Martin	<b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b> <ul style="list-style-type: none"> <li>• New Waste Management Fee introduced in 2021-2022 Budget.</li> <li>• Existing Miscellaneous Waste Management fees increased in 2021-2022 Budget.</li> <li>• Ongoing review of best ways to fund waste management obligations to be undertaken during 2021-2022 financial year.</li> <li>• All action is finalised and EAF completed.</li> </ul>					Completed
Finding 2.1.6	49	049 - That NIRC ensures that it sets its user fees and charges on a cost reflective basis inclusive of overheads.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Completed in ongoing budgets so transferred to BAU.				Yes	Completed
Finding 2.1.8	51	051 - That NIRC retain responsibility for the liquor bond given its important net financial contribution to NIRC relative to other revenue sources.	Sandra McFeeters	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Complete as Liquor Bond remaining with Council. Transferred to BAU.				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.1.9	52	052 - That the Commonwealth continue to refine the Financial Assistance Grants to account for the ongoing and changing disability factors impacting NIRC's infrastructure and service provision on the Island.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Completed by virtue of the increase to the Financial Assistance Grant. Transferred to BAU.</p> <p>The level of Financial Assistance Grants (FAG) now accounts for these factors and will continue to be refined.</p>				Yes	Completed
Finding 2.1.10	53	053 - That NIRC and the Commonwealth collaboratively develop a clearly articulated, costed, and funded long-term plan developed to meet NIRC's public health and environmental obligations and agreed strategic objectives for the Island.	Philip Reid	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Occurring as part of the Service Delivery Agreement (SDA).</p> <p>Completed.</p>	June 2023	Nil	Sampling and analysis, as allowed for under the SDA	Yes	Completed
Finding 2.1.11	54	054 - That the Commonwealth retain the use of NIRC resources for the provision of SDA responsibilities where possible, given that any change in the arrangements has the potential to undermine the financial sustainability of NIRC.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>As a three (3) year Service Delivery Agreement (SDA) commencing from 1 July 2022 has been signed by the General Manager this item has been transferred to BAU.</p>				Yes	Completed
Finding 4.1.4	55	055 - That special arrangements for NIRC to introduce a local GST as a revenue raising mechanism not be considered, but that a GST be considered by the Commonwealth as a possible mechanism to fund its growing financial obligations on the Island with due consideration given to the offsetting administration and transaction costs associated with managing GST arrangements, compliance on a small, isolated Island, and the flow-on effects on the cost of living/visiting and doing business on the Island.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Matter Referred to Department. Not within Council's Capacity.</li> <li>Unsure of Commonwealth position on this matter.</li> </ul>	Completed. Matter referred to Department				Completed
Finding 2.1.14	60	060 - That responsibility for the liquor bond remain with NIRC given the significant financial contribution it provides to NIRC and has limited financial and resourcing risk.	Sandra McFeeters	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>As there is no suggestion that the bond sits anywhere other than Council, this matter is closed and transferred to BAU.</p>				Yes	Completed



Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.17	67	067 - NIRC reconfigure Civica Authority to meet the business requirements of NIRC with an initial focus on simplifying the chart of accounts and general ledger. As the basis for all financial management reporting these two indexes are critical to accurately record all financial transactions during each accounting cycle.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Refer EAF 72 - work on improving reporting addresses concerns regarding chart of accounts.</li> <li>All action is finalised and EAF completed.</li> </ul>					Completed
Finding 3.2.15	69	069 - NIRC negotiate an improved support plan with Civica to improve responsiveness.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed.</li> <li>Target date to complete integrations has been pushed out to the start of next financial year due to resourcing and technical issues.</li> </ul>					Completed
Finding 3.2.17	71	071 - NIRC provide staff with training in the use of Civica as the core enterprise platform.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Completed. Transferred to BAU.</p>				Yes	Completed
Finding 2.2.18	75	075 - NIRC implement the blueprint across 3 horizons of activity (capabilities, processes, and systems).	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed.</li> <li>Progress as at 30 Jun 2022 (1 Apr to 30 Jun 2022):</li> <li>Activities ongoing to maximise investment in Civica.</li> <li>Refer EAF 72 (Finding 3.2.6) and EAF 106 (Finding 2.3.15).</li> </ul>				Yes	Completed
Finding 2.3.7	76	076 - That NIRC update its Workforce Plan to include analysis of current and future resourcing needs.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Submitted by Argant Group May 2022.</li> <li>Business Paper submitted to Council Meeting 9 June 2021. Council approved the Argant Group to develop the Norfolk Island Regional Council Workforce Plan.</li> <li>Argent Group has now been engaged.</li> <li>Development of the Workforce Plan is being revisited, with consideration of the implications arising from efficiency targets set by Council for 2021-22.</li> <li>Draft in for consideration and action.</li> </ul>			Submitted by Argant Group May 2022	Yes	Completed

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			Owner	Last Update					
Finding 2.3.8	77	077 - That the updated Workforce Plan be the vehicle for integrating the “companion” plans of TAAPII and the People and Culture Business Plan.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Transferred to BAU.</li> <li>To be progressed based on the work undertaken by the Argent Group in developing the NIRC Workforce Plan. Refer to EAF 76.</li> <li>The argent report is in and is being worked on in this regard.</li> </ul>				Yes	Completed
Finding 2.2.23	82	082 - That in future iterations of the Operational Plan and Delivery Plan performance indicators and targets should be reviewed or refined.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Draft Operational Plan 2021-2022 performance indicators and targets developed and linked to strategic objectives.</li> <li>All action is finalised and EAF completed.</li> <li>Transferred to BAU.</li> </ul>					Completed
Finding 1.1.2	86	086 - Given the current uncertainty over Council’s revenue streams, Council should consider opportunities for reducing operating costs. We understand that Council has implemented an organisational restructure, including redundancies for twenty permanent roles and a significant reduction in casuals and non-replacement of some vacant positions. It is expected to generate cost savings of approximately \$2 million per annum. Council has also recently determined to purchase new batteries and generators for the Norfolk Island power house with a view to reducing diesel fuel costs.	Paul Martin	<p><b>Progress as at 30 September 2022:</b></p> <p>Completed as described in the previous update and transferred to BAU.</p> <p><b>Progress as at 30 Jun 2022 (1 Apr to 30 Jun 2022):</b></p> <p>A series of redundancies have been effected. The smart meter roll out and lifting the solar moratorium has commenced. These actions will lead to lesser reliance on diesel power generation and the impost of rising fuel costs.</p>				Yes	Completed
Finding 2.2.24	87	087 - Council should carefully monitor the accumulation of outstanding rates and other debts and perform appropriate collection activities.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. Outsourced to Collections House (QLD)</li> <li>Resourcing of all Finance activities are under review, including debt collection.</li> <li>Review to be completed by 31 August 2021.</li> <li>Review has been completed and negotiations are underway to outsource finance functions including debt collection.</li> </ul>				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.25	88	<p>088 - Council needs to restore its cash position to ensure it has sufficient cash to adequately cover trust balances and liabilities for employee leave entitlements, fund day to day operations and meet its obligations as they fall due. This may be achieved through:</p> <ul style="list-style-type: none"> <li>Budgeting for and achieving cash surpluses</li> <li>Ensuring expenditure budgets are closely monitored and managed</li> <li>Carefully monitoring the accumulation of outstanding debts and ensuring appropriate recovery action is taken</li> <li>Borrowing – whilst Council is currently debt free and does have the ability to borrow under the Local Government Act, it not generally recommended to borrow for operational purposes. Any consideration of borrowing would also need to take into account Council’s ability to service the debt. It is also noted that borrowing is a charge on the income of Council and the current uncertainty over Council’s income streams may limit the Council’s ability to borrow.</li> <li>The receipt of an injection of additional government funding.</li> </ul>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Completed. In House reporting monthly.</p> <p>Council is forecast to meet the \$8M target by 30 June 2023</p>			In House - reported monthly	Yes	Completed
Finding 2.2.26	90	090 - Council needs to restore its working capital position to ensure it has sufficient resources to fund day to day operations and to provide a buffer against unforeseen and unbudgeted expenditures.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. In house, reported monthly.</li> <li>Refer EAF 88</li> </ul>				Yes	Completed
Finding 2.3.9	91	091 - Asset Management Plans should be reviewed and updated in accordance with the guidance provided in the Integrated Planning and Reporting Manual for local government in NSW.	Paul Martin	<p><b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b></p> <ul style="list-style-type: none"> <li>AssetFinda software implemented.</li> <li>Contractor engaged to coordinate review of integrated planning and reporting manual and update Asset Management Plans and to reconcile asset management tools in AssetFinda.</li> <li>All action is finalised and EAF completed.</li> </ul>					Completed


Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.3.10	92	092 - The asset management system that is being purchased should be implemented as soon as practicable and be populated with the most current asset data available including asset specifications, costs, useful lives and conditions determined through the recent revaluation. Going forward, the data in the system should be maintained and updated as necessary.	Paul Martin	<b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b> <ul style="list-style-type: none"> <li>AssetFinda software implemented.</li> <li>Action completed and EAF closed.</li> </ul>					Completed
Finding 2.2.27	93	093 - A detailed assessment of Council's infrastructure assets should be undertaken to establish an accurate cost to address Council's infrastructure backlog.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed. Reported in 30/06/2022 Financials.</li> <li>Progress as at 30 Jun 2022 (1 Apr to 30 Jun 2022):</li> <li>The assessment is underway and due to be finished before 30 September 2022.</li> </ul>			Reported in 30/06/2022 Financials	Yes	Completed
Finding 2.3.11	95	095 - The use of a system driven financial reporting tool should be investigated to enable accurate real time reporting. Manual processes not only lack efficiency, they also increase risk of human error and reduce the effectiveness of financial data in decision making. We understand that Council has planned for a Civica system upgrade. As part of the upgrade, Council should investigate whether the upgraded Civica reporting tool (Business Intelligence Solution, or 'BIS') will meet its reporting needs or whether another reporting software option is appropriate.	Paul Martin	<b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b> <ul style="list-style-type: none"> <li>Refer to Item EAF 72.</li> <li>Council has adopted BIS reporting and is finalising report templates for rollout with Q1 budget review, and ongoing monthly reporting for Managers and Team Leaders.</li> <li>All Action is finalised and EAF complete</li> </ul>					Completed
Finding 2.2.29	96	096 - The existing chart of accounts should be reviewed and redundant accounts and inconsistencies addressed. As part of this review, management should consider whether the chart of accounts meets their needs and whether a complete restructure would be preferred.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Review of chart conducted by contractors Refer EFT72</li> <li>Redundant accounts identified &amp; inconsistencies addressed</li> <li>New Hierarchy level introduced significantly improving reporting capability</li> <li>Review of GL to be incorporated in daily, monthly monthly close protocol</li> <li>All action is finalised and EAF completed.</li> </ul>					Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.32	99	099 - Budget managers across the Council should be involved in the budgeting process in order to provide input and confirm the veracity of assumptions applied.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This item is closed and has been transferred to BAU. Managers input their own 22-23 budgets into CIVICA and will be asked to review their own areas during the upcoming first quarter budget review.</p>				Yes	Completed
Finding 2.2.33	100	100 - Budget managers should be provided with progressive management reporting and training to assist them in monitoring and managing their budget responsibilities.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed. In house BIZ function.</li> <li>Refer EAF 71</li> <li>Transferred to BAU</li> </ul>				Yes	Completed
Finding 2.3.14	104	<p>104 - The payroll function has a number of labour intensive activities, which also have a high risk of error due to a significant amount of manual input, including timesheets and leave accruals. Consideration should be given to utilising the system or appropriate add-ons to automate those processes, including the following:</p> <ul style="list-style-type: none"> <li>Completion of timesheets with appropriate authorisation levels;</li> <li>Linking of timesheets to pay runs;</li> <li>Automated timesheets for those administrative employees that are not required to allocate their time to jobs;</li> <li>Calculation of overtime hours, allowances and other payroll related values;</li> <li>Calculation of all leave accruals;</li> <li>Reduction in leave balances for leave taken, linked to timesheets; and</li> <li>Reporting of current leave balances on payslips so employees can accurately project their leave entitlements for future planning.</li> </ul> <p>It is also recommended that Council implement an additional detective control, being the independent review of the payroll master-file after each pay run. This will reduce the risk of errors through mistakes or fraudulent activity</p>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This item is closed and transferred to BAU as payroll processing now predominately contracted out.</p>				Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.35	105	<p>105 - Whist acknowledging segregation of duties can be difficult to achieve with a small team, it is desirable to limit an employee's involvement in all aspects of the receipting cycle. Additional controls to reduce risk should be considered including:</p> <ul style="list-style-type: none"> <li>Independent review of end of day reconciliations;</li> <li>Independent employee responsible for banking cash using banking slips which can be matched to deposit slips obtained from the bank;</li> <li>Detailed bank reconciliations performed by an employee independent of the receipting system; and</li> <li>Monthly reconciliations of external unintegrated systems to the general ledger.</li> </ul>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed, transferred to BAU.</li> <li>Refer EAF 96 (Finding 2.2.29) and EAF 106 (Finding 2.3.15).</li> <li>Segregation of duties testing to be included in 2021-2022 Internal Audit Plan and referred to subsequent meeting of Audit Committee after results received.</li> <li>Many of these initiatives will be introduced before the start of the 22-23 financial year.</li> </ul>			Audit, Risk and Improvement Committee (ARIC)	Yes	Completed
Finding 2.3.15	106	<p>106 - The issues identified surrounding the bank reconciliation appear to relate to a lack of appropriate training provided to Council staff, likely due to the high turnover in recent times. Council should identify all unknown differences in the bank reconciliation and investigate these items to ensure postings are accurate and allocated correctly. Going forward, employees responsible for the bank reconciliation should be provided with any necessary training in the bank reconciliation process. The reconciliations should be reviewed on a regular basis by an officer independent of the preparer.</p>	Paul Martin	<p><b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b></p> <ul style="list-style-type: none"> <li>A Civica specialist has provided Bank Reconciliation Training to Finance staff.</li> <li>Significant progress has been made in clearing unreconciled revenue and expenditure held in suspense accounts.</li> <li>End of month processing procedures will be implemented by 31 July 2021 that will address timeliness and accuracy issues.</li> <li>Action completed and EAF closed</li> </ul>					Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.3.16	107	107 - Consideration should be given to utilising the Asset Accounting system available in Civica Authority, or an alternative, and upload an up to date, complete fixed asset register into the system. Prior to uploading, the Council should complete a comprehensive clean-up of the fixed asset register spreadsheet, confirming asset values, useful lives and the completeness of the register, including disposing of assets that no longer exist. Although it would be a significant project to ensure the fixed asset register is complete and accurate, once it is set up correctly, the utilisation of the system would save time in accounting for assets. This would also reduce the likelihood of misstatement through error in calculations or posting of journals, improving the accuracy of asset reporting.	Paul Martin	<p><b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b></p> <ul style="list-style-type: none"> <li>Refer to Item EAF 92.</li> <li>Action completed and EAF closed.</li> </ul>					Completed
Finding 2.2.38	110	110 - Council should determine an appropriate method for allocating overheads. Workings behind these allocations should be kept as an audit trail so that knowledge is not lost going forward. The resultant rates can be updated in the system so that expenditure can be systematically allocated across cost centres.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>In preparing 2021-2022 Budget decision was taken to only allocate overhead to SDA services.</li> <li>View taken that relatively small size of Council means that there is limited value-add by allocating overhead costs. Enable Managers to focus on controllable costs</li> <li>Capacity to revisit in future years</li> <li>Action completed and EAF closed.</li> </ul>					Completed
Finding 2.2.40	112	112 - The Civica Authority system can only be used to its potential if staff fully understand how the system works and how their designated tasks are meant to be performed within the system. Consideration should be given to investing in training in the use of the system and related processes and procedures to assist staff in performing their roles in the most effective and efficient manner. The training should be ongoing and accompanied by ongoing support.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Completed and transferred to BAU.</li> <li>Additional training for new staff always encouraged.</li> <li>Refer EAF 67, 68, 71, 72, 96, and 106.</li> </ul>		\$20,000 per year	CIVICA	Yes	Completed

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings - 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.3.17	113	113 - Council should fully reconcile and determine the financial position of the scheme before the administration of it is handed over to a third party provider (Workers Compensation Scheme).	Paul Martin	<b>Progress as at 31 Mar 2022 (1 Jan to 31 Mar 2022):</b> <ul style="list-style-type: none"> <li>Administration of Workers Compensation scheme handed over to third party provider January 2021.</li> <li>Bank account has been closed and financial reconciliation will be included in calculation of final 2020-21 SDA Q4 invoice due 31 July 2021.</li> <li>All Action is finalised and EAF complete</li> </ul>					Completed
Finding 2.3.19	115	115 - Failure to introduce special rates, levies, charges and efficiency measures to fund deficits in Council's business operations	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed.</li> <li>Refer Commissioner conclusions p. 170</li> <li>Transferred to BAU.</li> </ul>				Yes	Completed
Finding 2.3.21	117	117 - Lack of meaningful action to reverse the trend of declining own sources revenue	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed.</li> <li>Refer Commissioner conclusions p. 170</li> </ul>					Completed
Finding 2.3.24	120	120 - Failure to engage with the Audit Committee in applying its risk management policy	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>Completed. Transferred to BAU</li> <li>A new Audit, Risk and Improvement Committee (ARIC) has commenced in 2021, who have been more interactive and skilled in Local Government. Continued engagement will occur over the next few years to restore confidence in our system.</li> </ul>		\$30,000 per year	ARIC and Peak Services Team	Yes	Completed

**Report Legend**
 No Update

 Overdue

 Priority



# **Report**

## **External Audit Findings Status**

### **Outstanding Items**

**EAF Status - Public View by Manager (all items excl. completed status)**

Council Workshop - External Audit Findings 3 & 4 October 2022

External Audit Findings (EAF)

Report Created On: Sep 29, 2022

Andrew Roach

Plan Number	EAF Number	Description	Owner	Last Update	Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
Finding 2.2.3	13	013 - That a Partners in Government Agreement be developed setting out the roles and responsibilities of the Commonwealth and NIRC in a form simplifying the complexity of the Norfolk Island governance model.	Andrew Roach	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Discussions have commenced with the Dept. around outcomes of the Public Inquiry. This item has been assigned to the end of 2022 to allow the Administration to focus on more pressing matters given its appointment is for 3 years.	30/04/2024	Nil	The Department has received briefing from NIRC. Minister has referred matter to Joint Standing Committee process.	Yes	Upcoming
Finding 2.2.5	15	015 - That NIRC recruit a full time Inter-governmental Relations Manager to act as an expert and dedicated advisor / resource to help better coordinate engagement activities between NIRC, the Commonwealth Government (at both Ministerial, Administrator and Departmental levels) as well as key community groups and other relevant stakeholders.	Andrew Roach	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This matter will be reviewed as part of the work on governance framework commencing September 2022.	30/09/2024	\$95,000 per year	Go to market middle of 2024 to find a suitable consultant		Upcoming

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.6	16	<p>016 - That the Norfolk Island 2030 – Sustaining our Future:</p> <ul style="list-style-type: none"> <li>• Be a Plan collaboratively led by the Commonwealth through the Administrator’s Office, DITRDC office on the Island and NIRC-- to build partnership both in terms of working arrangements and which is visibly symbolic for the Island community</li> <li>• Establishes clear goals and directions for “what we want Norfolk Island to be and look like” in ten (10) years’ time - based upon extensive community engagement in accordance with the Norfolk Island Community Engagement Framework - with an Implementation Program (recognised as needing to be adaptable over time) which includes: <ul style="list-style-type: none"> <li>◦ a comprehensive long-term Legislative Framework.</li> <li>◦ targeted funding priorities and attribution.</li> <li>◦ allocated roles and responsibilities</li> </ul> </li> <li>• Integrates with and informs the NIRC’s CSP. i.e. consistency with directions and strategies, long-term-financial and resource planning.</li> </ul>	Andrew Roach	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This process has been pushed out to the end of 2022 to work with the Department to include a number of ongoing engagements that have already commenced.</p>	31/05/2023	\$10,000	Peak Services Team. Adopting Plan created by Administrators Office.		Practically Commenced
Finding 2.2.8	18	<p>018 - That this Committee comprise senior representatives of the Administrator’s Office, NIRC, DITRDC on Island team, Council of Elders, Chamber of Commerce; Tourism Advisory Committee, and People for Democracy to enhance dialogue, communication, build understandings, partnership and trust.</p>	Andrew Roach	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Refer comments at 2.2.7 in relation to formalising the structure.</p>	31 March 2023	Nil	In House		Not Yet Commenced

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 3.2.9	40	040 - That NIRC enhance its asset management practices and project management capabilities to meet its ongoing needs once any adjusted structure and/or responsibilities for the organisation are known.	Gregory Roy	<p><b>Progress as at 30 Sept 2022 (1 Jul to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>• An asset management improvement programme needs to be developed to take the Council's asset management practices from the current state to maturity</li> <li>• The programme outlined in Oct 2022 Council Paper is to be implemented over the next 18 months to 2 years depending on the availability of resources.</li> <li>• Project Management capabilities are being developed across the organization in response to differing funding application successes and general day to day activities.</li> </ul>	30/06/2023	\$250,000	Contractor & Peak Services Team	Yes	Practically Commenced

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.1.12	58	<p>058 - That NIRC and the Commonwealth consider alternative arrangements for the electricity, telecom and sewerage utilities, which may involve one or more of the following:</p> <ul style="list-style-type: none"> <li>Establishment of a utilities arm covering electricity, telecom and/or sewerage (and potentially water supply if more centralised management and/or provision is required) that is the joint responsibility of NIRC and the Commonwealth but where the assets are not owned or funded in any way by NIRC. Governance of the utilities arm could be via a Board arrangement with representatives from both NIRC and the Commonwealth in addition to potential representation by industry experts (subject to a cost-benefit assessment given the limited scale and scope of operations on the Island). Commonwealth funding would be required to cover capital funding requirements and operational shortfalls on an ongoing basis to ensure affordability</li> <li>Transfer of responsibilities for electricity and/or sewerage to a State partner or similar, with the Commonwealth responsible for funding any operational shortfall on an ongoing basis to ensure service affordability and service charges comparable to other Australian jurisdictions</li> <li>Divestment of the telecom function to Telstra, with the Commonwealth ensuring appropriate service provision at an affordable price under a universal service obligation arrangement</li> </ul>	Gregory Roy	<p><b>Progress as at 30 Sept 2022 (1 Jul to 30 Sept 2022):</b></p> <p>All of these matters are under consideration with relevant business cases as various stages.</p>	31/03/2023	\$250,000	<p>31/12/2022 - Stage 1 - \$140,000 Divestment of Telecom function - Business case written &amp; submitted to Department, awaiting result.</p> <p>28/02/2023 - Stage 1 - \$10,000 Establishment of Utilities arm - Contractor to write business case for Power/ Water/ Wastewater operation</p> <p>31/03/2023 - Stage 2 - \$100,000 Divestment of Telecom function - Consultant for community consultation of Business case.</p>		Practically Commenced
Finding 2.2.28	94	<p>094 - Programs should be developed and costed for asset rehabilitation/renewal and maintenance over both the short and long term to ensure Council can meet industry benchmarks for buildings and infrastructure renewals and infrastructure backlog.</p>	Gregory Roy	<p><b>Progress as at 30 Sept 2022 (1 Jul to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>Refer EAF 91 (Finding 2.3.9)</li> <li>Refer EAF 93 (Finding 2.2.27)</li> <li>Road Asset Management Strategy</li> <li>Funding Success</li> </ul>	31/03/2023	\$500,000 (Grant)	Contractor appointed with DITRDC support.	Yes	Practically Commenced

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.2.36	108	108 - Consideration should be given to utilising the fleet maintenance sub system, ensuring all plant is correctly recorded in the system before enforcing a process for employees to record use and maintenance of the fleet. This would enable Council to allocate the use of plant across work orders and to keep track of maintenance incurred on each asset, aiding with planning for renewing the fleet and managing maintenance schedules.	Gregory Roy	<p><b>Progress as at 30 Sept 2022 (1 Jul to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>• See EAF Finding 3.2.9 040</li> <li>• External contractor to continue progressing works in this space as a pace setter</li> <li>• The analysis work continues with plant &amp; equipment, roads and buildings largely captured and input continues into Asset Finda</li> <li>• There is now a focus on implementing the findings into the accounting system through Asset Finda and integration with Civica</li> <li>• Understanding differing products in the Asset Management space</li> </ul>	15/12/2022	Nil	In house resources are implementing now. Final report to Council in December.	Yes	Practically Commenced

Leanne Webb

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 3.2.7	35	<p>035 - That NIRC and DITRDC collaboratively:</p> <p>Work with National Archives (NAA) to develop a retention schedule and coordinate the delivery of solutions for records and archiving.</p> <ul style="list-style-type: none"> <li>Develop a concept design for appropriate, purpose-built facilities (air-conditioned and with moisture control) to sustain the life of records, artworks, documents etc.</li> <li>Finalise a records digitisation plan.</li> <li>DITRDC support funding proposals for the construction of purpose-built record storage facilities.</li> </ul>	Leanne Webb	<p><b>Progress at 30 Sept 2022 (1 July 2022 – 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>NIRC staff and DITRDC Canberra staff have regular meetings to coordinate the actions required with records defined as Commonwealth (Cth) records.</li> <li>Refurbishment of a new records storage facility was finalised during the quarter.</li> <li>Relocation of hardcopy records from the old goal cells at Kingston was finalised and the facility handed back to the Department staff on island.</li> <li>Relocation of hardcopy records stored at Bicentennial to the new facility was finalised during the quarter.</li> <li>90% of records in New Military Barracks were relocated to the new storage facility and have been unpacked and shelved.</li> <li>Repacking of old archives that were stored in old storage material has commenced.</li> <li>Digitisation of Cth records was put on hold this quarter whilst the team prioritised the relocation of records to the new facility.</li> </ul>	31/05/2024	\$100,000 per year	In house, Department & some external Contractors	Yes	Practically Commenced

Paul Martin

Plan Number	EAF Number	Description	Owner	Last Update	Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
Finding 2.1.1	5	005 - That NIRC consider formalising its Governance Framework in an adopted policy to clarify the roles and responsibilities encompassed in the Framework.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This work has been commenced by the Manager C&amp;F and the governance staff within Peak Services. A detailed framework policy will be work-shopped with Management during March 2023 with a view to taking the policy to the June 2023 Council meeting.</p>	30/06/2023	\$20,000	Peak services Team and additional Contracting		Planning

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 4.1.1	7	007 - That a planned schedule be created for the ongoing review of NIRC Policies based on setting priority for topics, with a view to completing the full set by the end of 2021.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This work is in the planning phase and is on track for completion (in conjunction with the HR policies review) by February 2023.	28/02/2023	In house	Peak Services Team		Planning
Finding 4.1.2	8	008 - That a gap analysis be undertaken of policy areas requiring new policy instruments and a plan established for their development.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This work is in the planning phase in conjunction with other policy development work. The gap analysis is on track for completion by February 2023.	28/02/2023	In house	Peak Services Team		Planning
Finding 3.1.2	9	009 - That the compilation of Procedure Manuals for key operational functions be progressed on a risk assessment basis to ensure areas of high staff turnover do not suffer from loss or dilution of corporate knowledge.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This work is in the planning phase and has been discussed as part of updating the Council wide risk registers. The matter of staff turnover and maintenance of corporate knowledge forms part of the succession planning work that will flow from performance appraisals and organizational investment assessments.	31/01/2023	Existing Budget	Existing Resource		Planning
Finding 2.1.3	38	038 - That a strategic long-term (and funded) plan for the Island be developed in partnership between NIRC and the Commonwealth, with a focus on practical implementation and with the responsibilities of each party clearly outlined	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  The Norfolk Island Plan is presently being worked on. These elements will feed into the Strategic Plan for the Island, however clear definition of this process does not yet exist.  (Note: the update provided as at 30 Sept 2022 - the Population Strategy and Food Security Strategy in the previous 30 June 2022 update were incorrectly referenced as these are not part of the finding).	Stage 1 - 31/03/2023 -- Stage 2 - 31/03/2023	\$25,000	Stage 1 - LTFP to be completed by LG Solutions  Stage 2 - Adopt Administrators' Community Plan (Peak Services Team)		Practically Commenced
Finding 2.1.4	39	039 - That NIRC and the Commonwealth consider the appropriateness of the infrastructure and service responsibilities of NIRC and make necessary adjustments to enhance its financial sustainability moving forward, with reference given to the outcomes of this Audit	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Work has commenced on the long term roads study, the upgrade of the electricity network in terms of metering and the re-introduction of solar and capital upgrades for the Waste Management Center. As these (and other projects) progress, the capital works and the resulting changes to Council's operating environment will be featured in the Long Term Financial Plan due for completion by 31 March 2023.	31/03/2023	(1) \$800,000 - (2) \$100,000	(1) Consultants Road Study  (2) Consultants Parks Maintenance		Practically Commenced



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			Owner	Last Update					
Finding 2.3.5	41	041 - That a long-term financial plan for NIRC be developed inclusive of all the capital projects and changes in operating practices required to meet NIRC's compliance and service obligations and to address legacy issues.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>There has been no progress during this quarter however preparation of the LTFP will commence with LG Solutions during October 2022 to inform rates revenue modelling going forward. The balance of the work will be undertaken as part of the 23-24 budget development process.</p>	31/03/2023	\$25,000, then \$5,000 per year	Contractor LG Solutions	Yes	Planning
Finding 3.1.8	48	048 - That NIRC continue to apply a fuel levy to help fund road maintenance, and potentially increase the levy to raise additional revenue for roads.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Several expressions of interest received in relation to alternative fuel supply arrangements. They will be assessed during October 2022. This may impact the mechanism by which Council provides for road maintenance based on fuel usage.</p>	30/04/2023	Nil	In house/ Peak Services Team	Yes	Practically Commenced
Finding 4.1.5	56	056 - That NIRC consider the establishment of a formal development contributions plan and associated charges to assist in funding facilitating infrastructure.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>No further progress. Will be considered during the 23-24 budget development.</p>	31/03/2023	\$25,000	Contractor / Law Firm		Not Yet Commenced
Finding 2.1.13	59	059 - That the introduction of any alternative arrangements in relation to the establishment of a utilities arm maximises the employment of local workers where possible rather than utilising external outsourcing.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>If a utilities arm were to be established, there is presently no suggestion that anyone other than existing staff, and local people would fill the necessary roles.</li> <li>Policy drafted by TAAPILI and adopted by Council in 2020.</li> <li>Transferred to BAU.</li> </ul>	30/11/2022	Nil	Peak Services Team	Yes	Practically Commenced

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.1.16	64	<p>064 - That the Commonwealth and NIRC consider the available options to mitigate against the 'State Disconnect' that presently exists, including:</p> <ul style="list-style-type: none"> <li>The provision of additional, specified annual operational and capital funding support to NIRC by the Commonwealth based on established benchmarks</li> <li>The establishment and delivery of an agreed long-term, funded program of infrastructure and service delivery between the Commonwealth and NIRC to meet compliance and service obligations</li> <li>Delivery of financial and non-financial support via a State partner, with the Commonwealth compensating the State partner.</li> </ul>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>No change from last quarter.</p> <p>Action has been taken in terms of the level of Federal Assistance Grants (FAG) and in progress by the Department's Queensland Team. This will be a lengthy exercise however we would expect an update from the Commonwealth during the second half of this financial year so Council has a chance of meeting the June 2024 deadline.</p>	30/06/2024	\$40,000	<p>1/07/2022 - Provision of Capital Funding - Inhouse</p> <p>31/05/2024 - Establishment funded program - Contractor</p> <p>30/06/2024 - Delivery of Support - Department</p>	Yes	Upcoming
Finding 3.2.14	68	068 - NIRC improve integration between the Civica Finance module and other corporate systems to leverage the revised chart of accounts.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This work is ongoing and is progressing by the implementation of certain internal audit recommendations around chart structure.</p>	30 June 2024	\$50,000	New Asset Accountants and other contractors		Practically Commenced
Finding 3.2.16	70	070 - NIRC establish a mentoring relationship with a sister council using Civica, such as Port Macquarie-Hastings, to encourage knowledge sharing and professional development.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Whilst the proposed arrangements with Bundaberg Regional Council did not proceed, Council's Financial Accountant does have a good relationship with various staff from Bundaberg. That said, Manager C&amp;F will be attending a CIVICA forum early October and will identify other opportunities in this area.</p>	28/02/2023	\$90,000	Moved to Altitude Cloud based solutions to achieve		Practically Commenced

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Finding 2.3.6	72	072 - NIRC implement a solution to increase transparency across the budgeting and planning process and assist with long term financial modelling by leveraging current investments and options available in the existing systems ecosystem.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  OpenGov implementation has not progressed during the quarter due to reallocation of staff resources. It is expected that this reporting transparency be in place (in some form) by the end of the 22-23 financial year, noting that the Commonwealth is being provided with Envisio access so they can see SDA updates as they happen. The development of the budgeting manual (as mentioned in a previous update) will also go towards transparency of processes and reporting.	30 June 2023	\$70,000 per year	Software Solution	Yes	Practically Commenced
Finding 2.2.19	78	078 - That an organisation-wide skills inventory and training needs analysis be undertaken in conjunction with the implementation of the Performance Appraisal system to form the basis of annual training plans.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This work is underway however has not progressed as rapidly as had been planned due to staff movements. This work will be prioritised to ensure the April 2023 deadline is met.	30/04/2023	\$60,000	Peak Services Team (HRC) with some external Contractor assistance	Yes	Practically Commenced
Finding 2.2.20	79	079 - That a detailed review be undertaken of human resource related policies and procedures to identify any gaps and update if necessary, clearly differentiating policies requiring Council endorsement as opposed to administrative procedures.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This work is continuing in conjunction with with the review of the ANI transitioned policies and is on track to be completed by April 2023.	30/04/2023	Nil	Linked to EAF 78	Yes	Practically Commenced
Finding 2.2.21	80	080 - That NIRC conduct a comprehensive review of its investment in organisational development, informed by input from the first round of performance appraisals and a focused training needs analysis	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  There has been no progress this quarter. Work will be aligned with the performance appraisals being undertaken as part of EAF 81 which is due for completion in February 2023.	28/02/2023	\$50,000	HRO - Peak Services Team and Contractor		Not Yet Commenced
Finding 2.2.22	81	081 - That a report be prepared for Council evaluating the implementation of the Performance Appraisal system and identifying any areas for improvement, particularly in relation to its integration with the organisational development strategy.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  The completion date has been pushed out to February 2023 as the work on performance appraisals is running behind due to staff changes in HR. Significant work in this area has been scheduled through to 31 December 2022.	28/02/2023	\$50,000	HRO - Peak Services Team and Contractor		Not Yet Commenced

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Finding 3.1.14	83	083 - That Departments and Business Units be encouraged to prepare an annual Business Plan for their own areas of responsibility, incorporating performance indicators based on key business outcomes and service levels.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>This matter will be discussed with Managers before the end of 2022 and be included in the budget preparation manual.</p> <p>Note: previous update as at 30 June 2022 to replace the word 'Opengov with BIZ'.</p>	28/02/2023	\$10,000	In House / Peak Services Team	Yes	Practically Commenced
Finding 3.3.1	84	084 - That Departments produce monthly 'Dashboard' reports of performance against project targets and service levels to help condense status reports.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>There has been no progress this quarter however this work will be rolled into the Departmental business planning. Managers presently working with the Financial Accountant in terms of their specific requirements.</p>	28/02/2023	\$50,000	Finance Contractor with Peak Services & Managers	Yes	Practically Commenced
Finding 1.1.1	85	085 - To achieve industry benchmarks and improve financial performance, Council should budget to achieve a net operating surplus before capital revenue.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>The 22-23 budget adopted in July 2022 has forecast an operating surplus of \$500,000.</p>	31/12/2023	\$120,000 (\$96,000 for S&B plus \$24,000 additional)	Appointed Shave & Brett \$8,000 / month x 12	Yes	Upcoming
Finding 1.1.3	89	<p>089 - Given that overruns on major projects have greatly contributed to the depletion of Council's reserves, it is important that:</p> <ul style="list-style-type: none"> <li>• Council ensure that it fully understands the implications on its finances in both the short and long term before approving projects</li> <li>• Project budgets include an appropriate allowance for contingencies and how these would be funded</li> <li>• Projects budgets be carefully monitored and managed.</li> </ul>	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>The internal report referred to last quarter was received on 19 September 2022. Management is in the process of responding to the recommendations therein and forwarding to the Audit, Risk &amp; Improvement Committee. The internal audit recommendations will be implemented between now and the finalisation of the 23-24 budget with reliance on the various project control groups to take ownership of budget monitoring &amp; maintenance.</p>	30/06/2023	\$15,000	ARIC engages Pacifica to complete review and develop internal Policy		Upcoming

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
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Finding 2.2.30	97	097 - As the accuracy of source data is heavily reliant upon transaction initiators across various departments of the Council, it is important that they know how the system works and have a clear understanding of which work orders/tasks should be used and in what circumstances. A formal list of work orders/tasks should be established, communicated across the organisation to ensure staff are using them correctly, and the appropriate use of the list of work orders should be monitored. Staff training should be provided on a regular basis.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Staff are now familiar with the work order structure however further training will be provided as part of the upcoming quarterly budget review.	28/02/2023	\$20,000	ARIC process. Report submitted now implementation.	Yes	Practically Commenced
Finding 2.2.31	98	098 - The budgeting process should be formally documented and a budget handbook/manual developed that guides the development of the annual budget. Staff training should be provided on the use of the manual and use of the manual monitored.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  No further work has been done this quarter however the receipt of various internal audit reports have made recommendations in this regard. The internal audit recommendations will form part of the budgeting manual that is prepared as part of the 23-24 budget development. Capital budgeting process was partially documented during the 22-23 budget development.	31/05/2023	\$100,000	Finance coaching now in place for new budget process	Yes	Practically Commenced
Finding 2.3.12	101	101 - Consideration should be given to implementing a system or web-based solutions to better manage the budgeting and monitoring processes.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Refer EAF 72 for discussion on OpenGov, Envisio access and the development of a budget manual. CIVICA Altitude is also web based.	31/12/2023	\$70,000 per year	Software Solutions	Yes	Upcoming

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
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Finding 2.2.34	102	102 - Council should review whether there are efficiencies that can be gained from utilising some of the underutilised modules and whether there are opportunities for cost savings in respect to items not required. Council should ensure that the Civica modules used and any software purchased separate to Civica are fit for purpose. For any software independent of Civica, the compatibility with Civica should be ensured in order to reduce manual manipulation of data and increase efficiencies. To reduce labour intensive activities, consideration should be given to fully utilising the Document Management System. This would not only save time when searching for documents, but also the ability to link a document to a transaction or entry would provide easy access when reviewing entries.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  CIVICA in the cloud (Altitude) contract has been signed, as has the upgrade from CM9 to CM10 for document management and this is currently underway. Work has been done in terms of full use of CIVICA for payroll including time sheeting. This will be progressed further over the next six months to coincide with a target Altitude go live date of 28 February 2023.	31/12/2023	\$60,000 per year	In house, Peak Services Team and some IT Contractors	Yes	Upcoming
Finding 2.3.13	103	103 - Regarding the procurement process, it is recommend that staff be trained on the importance of raising purchase orders before expenditure is incurred with suppliers. This control should be enforced by management and will enable them to accurately report future expenditure and manage cash flow.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  There have been discussions between the Manager C&F and the Financial Accountant about a procurement training session before the end of 2022. Reports have been designed to identify orders that are being raised after the invoice date and this (with other measures) will be used to drive home the importance of adhering to tight procurement guidelines.	31/03/2023	\$8,000	Training & workflows fixed. Finance Coach.	Yes	Practically Commenced
Finding 2.2.37	109	109 - The inefficiencies created by a lack of timely re-ordering of inventory can be addressed by creating a report showing low stock levels and identifying when items need to be ordered.	Paul Martin	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  This matter has not progressed during the last quarter however it will be addressed by 24 November 2022 as part of ARIC reporting arising from internal Audit recommendations. The Stock Report will then be implemented to assist in the timely re-ordering of inventory.	30/06/2023	\$20,000	In house training required to implement ARIC recommendations	Yes	Practically Commenced

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Finding 2.2.39	111	111 - All trust accounts should be reconciled on a monthly basis, showing all movements and be reviewed by an officer independent of the preparer, irrespective of whether the trust monies are kept in a separate bank account or within the Council's bank account. This will not only help Council keep track of the amounts held in the trust, but will ensure a monthly review of movements is being completed, reducing the risk of misstatement and erroneous payments from trust monies.	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>The two (2) Trust accounts Council are reviewed monthly as part of preparing the Investment report and have been reconciled for the year end accounts. Monthly reconciliations will commence from 30 September 2022.</p> <p>Completed. Transferred to BAU.</p>			Peak Services Team	Yes	Practically Commenced
Finding 2.3.18	114	114 - Lack of Lack of action on the revenue side in response to well understood challenges	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>Completed in terms of rates revenue but further work to feed into the LTFP is required over the coming months.</p>	30 June 2023			Yes	Practically Commenced
Finding 2.3.20	116	116 - Failure to set a rates target	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>A rates target was set for the 22-23 financial year and some forward modelling will be undertaken in the coming months.</p>	30/11/2022		Discuss with Department.		Practically Commenced
Finding 2.3.22	118	118 - Unrealistic assumptions were used to support both the Long Term Financial Plan (LTFP) and the Asset Management Plans	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>We have spoken to the Commonwealth about funding the development of robust asset management plans that will inform (in part) the development of an accurate long term Financial Plan. It is expected that this work commence in December 2022. This work (together with management testing of other assumptions) will result in a credible and reliable long term Financial Plan.</p>	30/06/2023	\$250,000	Peak Services Team & Contractor  Link to item 3.2.9 EAF 40		Planning
Finding 2.3.23	119	119 - Asset management plans did not have sufficient detail to support meaningful entry into the Long Term Financial Plan	Paul Martin	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <p>We have spoken to the Commonwealth about funding the development of robust Asset Management plans that will inform (in part) the development of an accurate Long Term Financial Plan. This work is expected to commence in December 2022. The plans will be fit for purpose and have sufficient detail to support meaningful entry into the Long Term Financial plan.</p>	30/06/2023	\$250,000	Peak Services Team & Contractor  Link to item 3.2.9 EAF 40		Planning

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Finding 3.2.2	19	<p>019 - That the Norfolk Island Plan be comprehensively reviewed with timing that integrates with the amendments to the Planning Act 2002 (NI) – and funding and professional resources allocated to enable this to occur – with staging as follows</p> <p>Stage One:</p> <p>The Strategic Plan be comprehensively reviewed based on the following:</p> <ul style="list-style-type: none"> <li>• A foundation of NIRC led consultation including a Reference Group comprising the Chamber of Commerce; People for Democracy, the KAVHA, Tourism Advisory Committee, Council of Elders – with the aim of building more cohesion and social capital to underpin the Plan.</li> <li>• Sustainability (4 pillars of economic, social, environmental and governance).</li> <li>• A greater level of aspiration for future development and land-uses to achieve the short, medium and long-terms desired outcomes of DITRDC, NIRC and the Island community.</li> <li>• Including appropriate references to: <ul style="list-style-type: none"> <li>◦ Evaluations of the alternative locations and criteria for the proposed composter, port and rock quarry.</li> <li>◦ Resolving acceptable standards and means of waste disposal and wastewater disposal and treatment.</li> <li>◦ Heritage and Biodiversity conservation – with Strategic Plan mapping providing the mapping nomenclature for consistent inclusion in the zoning map for Part B of the revised Plan.</li> <li>◦ Analysis of the Island’s infrastructure capacities to inform NIRC’s declared need for a Population Policy.</li> </ul> </li> </ul> <p>An Implementation Strategy be developed including nominated responsibilities.</p>	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Housekeeping updates to the NI Plan has commenced with a preferred planning contractor. The comprehensive review of the NI Plan will be the subject of a broader approach to market. Work on the comprehensive review will commence late 2022/early 2023, with community consultation to commence following the establishment of a sustainable population strategy. This is likely to occur in mid 2023 with the overall Plan review to be completed by September 2024.</p>	30/09/2024		<p>Link to 2.2.6 EAF 16, 2.2.7 EAF 17 and 3.1.3 EAF 22</p> <p>This item is covered by the above links, to be removed from outstanding list following explanation to Administrator's Workshop.</p>		Practically Commenced



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		<p>Introduce a new Development Control Plan for Community Title.</p> <p>Review the Development Control Plans for: Water Resources and Outdoor Advertising Structures and Signs.</p> <p>Stage 2:</p> <p>Implementation of the Strategic Plan.</p>							
Finding 3.1.3	22	022 - That the review of the Planning Act 2002 (NI) be pursued to alleviate the inefficiencies caused to the Development Assessment function	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Preliminary Housekeeping review of the NI Plan commenced with changes to be put on exhibition during October 2022. Comprehensive review requires specification to be prepared and market approach. Comprehensive review only to be commenced following establishment of a Sustainable Population Strategy, with timeline for the review to run through to September 2024.</p>	30/09/2024	\$50,000 (FY23), \$250,000 (FY24)	Contractor (multiple)		Upcoming
Finding 2.2.10	24	024 - That the Local Government Act 1993 (NSW) (NI) be amended to insert the relevant provisions for On-Site Sewage Management including the initiative of a register of septic tanks / onsite sewage management and the requirement for annual inspections and ensuring proper maintenance and compliance.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <ul style="list-style-type: none"> <li>- Provisions currently exist under the Local Government Act 1993 (NSW) (NI) to "operate a system of sewage management".</li> <li>- DITRDC Legal have advised that NIRC should obtain independent legal advice regarding prevailing Norfolk Island legislation regarding septic, and potential conflicts between this and wastewater provisions under the Local Government Act.</li> <li>- Current hold-up with legislation changes due to health and education priorities for DITRDC</li> <li>- Inspections of septic systems/onsite wastewater management systems commenced in the Kingston area. Register being developed</li> </ul>	30/06/2024	\$15,000 (FY23), \$10,000 (FY24)	Contractor & Law Firm assistance required		Practically Commenced

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Finding 2.1.2	25	025 - That DITRDC work with NIRC to resolve wastewater disposal and treatment issues by <ul style="list-style-type: none"> <li>the endorsement of the option recommended in the Balmoral Report</li> <li>funding the detailed design and capital construction of that option.</li> </ul>	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>The design work has been funded (\$1.8M) by the Commonwealth. Procurement has commenced to engage a designer to develop the preferred design for the upgraded STP, with the preferred designer to be engaged by November 2022. The concept design and costings is expected to be completed by Q3 of the 22-23 financial year.</p>	Stage 1 - 30/06/2023 -- Stage 2 - 30/09/2024	Stage 1 \$1,800,000 -- Stage 2 \$15,000,000	Stage 1 - Consultancy and Project management  Stage 2 - Contractor and Project management		Upcoming
Finding 3.2.4	26	026 - That NIRC undertake a review to establish the funding mechanism, and structure and staff capacity of the NIRC Environment Team <ul style="list-style-type: none"> <li>to provide leadership and professional capability and capacity</li> <li>to work with DITRDC to drive the implementation for wastewater disposal and sewage reticulation infrastructure and means to achieve acceptable environmental standards</li> <li>to provide enhanced level of community education.</li> </ul>	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Recent Commonwealth Gov announcement for \$1.8M to fund the design and costings for an upgraded Sewage Treatment Plant. Potential for a portion of this funding to be committed to extensions of the Water Assurance Scheme. Recent changes to the Planning and Environment structure accommodate the future changes in wastewater management, including community education on wastewater impacts and solutions.</p>	31/03/2023				Practically Commenced
Finding 3.2.5	28	028 - That NIRC undertake a review to establish the structure and staffing capacity of the NIRC Environment Team to work with DITRDC to drive the implementation for waste disposal infrastructure and means to achieve acceptable environmental standards.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Contractor appointed to manage the WMC for domestic and commercial waste. Construction and demolition waste will continue to be managed directly by NIRC.</p>	28/02/2023		In house	Yes	Practically Commenced


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Finding 3.1.7	33	<p>033 - Acknowledging that some changes to relevant legislation will be required to provide the basis for compliance actions nominated below, that NIRC establish a ranger position funded in whole or part by the introduction of fees to enhance compliance for:</p> <ul style="list-style-type: none"> <li>Swimming Pool safety fencing – including, given the public safety issues and NIRC risk exposure - retrospective checks on existing pools</li> <li>Compliance of On-site Sewage Management facilities</li> <li>Dog registration and management</li> <li>Cats registration and management, and</li> <li>Apiaries registration and management</li> </ul>	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Compliance of onsite wastewater management systems has commenced through initial inspections of systems on private properties in the Kingston catchment. Current functions for dog registration lie partially with the Public Health Team. Preliminary work on potential for cat registration on Norfolk Island has commenced with the Reserves and Conservation Advisory Committee. This will require a change of legislation. No further advancement of pool safety fencing or apiaries registration.</p>	30/06/2024	\$50,000	Contractor / Lawyer / DITRDCA		Upcoming
Finding 3.2.11	45	045 - That NIRC consider phasing in increases in the sewerage charge to more appropriate levels to ensure increased scheme cost recovery.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Changes to sewerage charges were not implemented for the 22-23 financial year. This matter will be further considered during the 23-24 budget development.</p>	01/05/2023		In house	Yes	Planning
Finding 2.1.15	61	061 - That responsibility for the waste function remain with NIRC, but with the necessary capital and operational funding assistance provided by the Commonwealth to ensure that NIRC can meet its environmental and public health obligations.	Philip Reid	<p><b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b></p> <p>Council has engaged a contractor to undertake day to day waste operations. Substantial capital funding has been provided by the Commonwealth to ensure the success of these new operations. Procurement of equipment up to \$3.2 million is underway with delivery of equipment expected between November 2022 and March 2023.</p>	31/03/2023	\$3,200,000	<p>Contractor engaged for day to day waste operations scheduled to commence by February 2023.</p> <p>Tender for remaining waste equipment, not associated with contractor, to be awarded in October 2022.</p>	Yes	Practically Commenced

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 3.1.9	62	062 - That the easements required to operate the utilities servicing the Island be formalised, with appropriate valuation adjustments and compensation payments arranged.	Philip Reid	<b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b>  There is the potential for this to form part of the roads study currently underway. Where required, a separate exercise of finalising proposed easements for registration will be carried out, including the services of a surveyor where needed. This is likely to take 3-4 years for all easements to be completed.	31/10/2023	\$1,500,000	VG, surveyor, Lawyer & Contractor		Upcoming
Finding 3.1.12	73	073 - NIRC identify critical business processes and design workflows to streamline the collection, processing and storage of data. The core area where workflows were found to be inadequate relate to planning and development. Although this is not the only area where improved workflow capability is required, it is recommended that development of the following workflows is prioritised to immediately improve operational efficiency. Suggested workflows include: <ul style="list-style-type: none"> <li>• Building Applications</li> <li>• Development Applications</li> </ul>	Philip Reid	<b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b>  Planning and development processes have been streamlined with new software. CIVICA in the cloud and an upgrade to CM10 will provide greater opportunity to enhance data collection and management. Development of a 48-hr Notice and Building Stage Inspection tool via OpenGov has commenced.	31/06/2024	\$25,000 (FY23), \$25,000 (FY24)	Contractor		Practically Commenced
Finding 3.1.13	74	074 - NIRC develop templates to support business requirements and update reference tables to pre-populate data.	Philip Reid	<b>Progress as at 30 Sep 2022 (1 Jul to 30 Sep 2022):</b>  Development of a 48-hr Notice and Building Stage Inspection tool via OpenGov has commenced.	30/06/2024	\$25,000 (FY23), \$25,000 (FY24)	Link to 3.1.12 EAF 73  Programming consultant		Practically Commenced

Sandra McFeeters

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 2.1.7	50	050 - That the Commonwealth consider the transfer of responsibility for the infrastructure-based, non-traditional business enterprises out of NIRC given the significant financial sustainability risks placed on NIRC from their ongoing operation.	Sandra McFeeters	<p><b>Progress as at 30 Sep 2022 (1 July to 30 Sept 2022):</b></p> <p>KAVHA and Museum operations have gone back to the Commonwealth from 1 July 2022. This was a partial transition with equipment fully transferred and staff seconded to the Commonwealth.</p> <p>Council will continue over the next 12 months to provide administrative support in HR; IT and Finance as Commonwealth develops policy and procedures to enable full integration.</p>	31/12/2022 & 30/06/2023	In house	Transfer to Department for KAVHA		Practically Commenced
Finding 2.2.16	57	<p>057 - That NIRC and the Commonwealth consider alternative arrangements for the airport that reduce the financial exposure of NIRC to the airport's reliance on revenue from tourist visitation and high fixed operating costs, which may involve one of the following (noting a preference for airport ownership at a minimum to be transferred to the Commonwealth given associated financial sustainability risks):</p> <ul style="list-style-type: none"> <li>• Transfer of ownership and management of the airport to the Commonwealth</li> <li>• Transfer of ownership of the airport to the Commonwealth, with NIRC retaining management and operational control for a nominated annual lease fee and the Commonwealth having input into decisions impacting on its assets.</li> </ul>	Sandra McFeeters	<p><b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b></p> <ul style="list-style-type: none"> <li>• The review of fees and the proactive implementation of invoicing has improved capture of revenues.</li> <li>• A comprehensive business case is required prior to further actions or discussions are undertaken</li> </ul>	31 December 2023	Seek Adhoc funding through SDA \$50,000	Internal and Contractor		Upcoming

Plan Number	EAF Number	Description	Council Workshop - External Audit Findings 3 & 4 October 2022		Target Completion Date	Financing Costs	Resourcing	Transferred to Business as Usual	Status
			Owner	Last Update					
Finding 3.2.13	63	063 - That the Commonwealth and NIRC consider the most appropriate option for the ARFFS to ensure that NIRC and the local community are not subsidising the service, noting that NIRC's financial sustainability position would be enhanced if it were not responsible for funding the service at all and any risks associated with fluctuating passenger fee revenues are removed altogether and transferred to the Commonwealth and/or ASA. The alternative options may be to integrate service provision with ASA and/or extend Commonwealth SDA funding to include ARFFS.	Sandra McFeeters	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b> <ul style="list-style-type: none"> <li>CASA audit identified serious deficiencies and safety issues in ARFFS operations - deficiencies remediated and/or plan approved for future remediation September 2022</li> <li>ASA confirmed support of training needs and modules August/September 2022 training provisions to be implemented from November 2022</li> <li>Business case for CFS and ARFFS to be completed</li> </ul>	30/06/2023	\$200,000	External Contractor & Training providers. Council Management & Department for decisions.		Practically Commenced
Finding 3.1.10	65	065 - That the Commonwealth and NIRC – in conjunction with the appropriate representative group/s – develop an action plan to address known barriers to economic development and accepted opportunities for industry growth.	Sandra McFeeters	<b>Progress as at 30 September 2022 (1 July to 30 Sept 2022):</b>  Scoping of project to update 2014 Household Expenditure Survey completed in July 2022  Reintroduction of Retail Price Index May 2022 with new RPI to be undertaken in September to align with Australian CPI reporting framework.  Calculation of historical RPI from 2011 to 2022 completed May 2022	28/02/2023	\$94,000	Contractor		Practically Commenced
Finding 3.1.11	66	066 - That the Commonwealth and NIRC – in conjunction with the appropriate representative group/s – develop business cases to explore the economic viability of identified opportunities to expand the economic base of Norfolk Island.	Sandra McFeeters	<b>Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):</b>  Refer comments at 3.1.10	Ongoing quarterly reports via BITAC	\$50,000 per year	BITAC & Contractors		Not Yet Commenced

**Report Legend**
 No Update

 Overdue

 Priority