

Benefit Realisation Report



Project Title	Financial Accountability Project
Sponsor	Rebecca Olsen - Acting Director, Commercial Services & Industry Engagement
Project Owner	Monika Bretmaisser - Group Manager, Financial Services
Date	30 October 2014
Period of Auditing	<p>Auditing will occur over a 12 month period with a report provided to the Executive on the following dates:</p> <ul style="list-style-type: none"> • 6 February 2015 (data will be as at 31 January 2015) • 8 May 2015 (data will be as at 30 April 2015) • 7 August 2015 (data will be as at 31 July 2015) • 6 November 2015 (data will be as at 31 October 2015)

Outcome No.	Benefit Measure	Measurement Source	Reporting Frequency
1. Expenditure Expenditure of public funds is within prescribed expenditure delegations	95% of \$ spent by individual staff is within delegated authority.	\$ spent within delegation vs \$ spent outside of delegation	Reporting to Executive - Quarterly via audit of AP EFT/Cheque run.
2. Purchasing The majority of Council purchases are undertaken within the 'Requisition to Order' Process or via Purchase Card	25% Reduction number of purchases made via the by-pass system.	No. of transactions via purchase orders vs No. of transactions via by-pass system (excluding legitimate nominated expenditure to be predetermined) - 5% of supply and delivery contracts and 5% of services contracts.	Reporting to Executive - Quarterly audit on a month's transactions via audit of AP EFT/Cheque run. To be measured over a full 12 month period (noting that EOY Authority process will skew data).
3. Contract Management All contracts and contractors are managed, monitored & evaluated in accordance with relevant contract terms and conditions.	Contracts are managed, monitored & evaluated in accordance with the contract's terms and conditions.	Randomised audit of 5% of contracts	Reporting to Executive - Quarterly after Financial Accountability Outcome 3 milestone has been achieved - to be measured over a full 12 month period.
4. Projects Projects are on time and on budget and any grant funds applicable to projects are acquitted as and when required.	<i>This outcome has been moved to an organisational wide project</i>		

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5. Reporting Financial Reporting is in plain English	100% of Financial Reports distributed to the community are in plain English.	100% of financial reports distributed to the community is easy to understand.	Annually - to be measured over a full 12 month period. Each public report is reviewed by the Executive.
6. Legislative Requirements Financial Reporting meets legislative requirements	Financial Reporting meets legislative requirements 100%	Performance Manager Reports to identify if reporting requirements and cross reference against Council's legislative obligations.	Annually (after Financial Accountability Outcome 6 milestone has been achieved) - to be measured over a full 12 month period - reported to Council via the performance of the Operational Plan.
7. Tendering Tendering Process is open, transparent and legislatively compliant for all categories of purchases	100% Tendering Process is open, transparent and legislatively compliant for all categories of purchases.	Randomised audit of 10% of tenders to check for consistency with policies, procedures and the legislation.	Quarterly after Financial Accountability Outcome 8 milestone has been achieved - to be measured over a full 12 month period.
8. Preferred Suppliers All preferred suppliers (i.e. successful contractors appointed through a formal process) are included on a Register of Preferred Suppliers (RPS) for use across the organisation	100% of preferred suppliers are included on a Register of Preferred Suppliers (RPS) for use across the organisation	Preferred Suppliers listing is developed, updated and easily accessible to staff.	Reporting to Executive - Quarterly gap analysis audit which highlight deviations between the Preferred suppliers list and AP records (via audit of AP EFT/Cheque run).
9. Procurement Strategy Develop a Procurement Strategy that will guide procurement within Council from 2013 - 2016 inclusive. See Appendix A	A Procurement Strategy is developed and implemented that guides procurement within Council from 2013 - 2016 inclusive. Performance Measures: <ul style="list-style-type: none"> Savings achieved - non-recurrent Savings achieved - recurrent against set savings targets Volume of orders raised under contract Volume of orders raised not under contract % reduction in expenditure outside formal purchasing process 	Procurement Strategy is developed, adopted by Council and implemented. % complete of Implementation Plan. Excel - manual data Excel - manual data Authority reports Authority reports Authority reports	Reporting to Executive /Council - Approved Procurement Strategy by 30/09/13 Quarterly Quarterly Quarterly Quarterly Quarterly Quarterly

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10. Procurement Planning Detailed procurement planning will enable improved procurement decisions to be made prior to the project being undertaken.	Procurement planning is undertaken	Compliance audit of procurement practices against planning documentation	Reporting to Executive - Quarterly audit
11. Supplier & Spend Analysis Detailed supplier and spend analysis will lead to better informed value for money procurement outcomes.	Supplier and spend analysis informs future expenditure through the spend analysis report.	Supplier and spend analysis completed in line with the Procurement Strategy Spend analysis report on top 25 - 50 suppliers	Reporting to Council via Procurement Strategy quarterly reports.
12. Benefit Realisation Potential procurement savings are identified and action plans developed to deliver those savings.	Potential procurement savings are identified and action plans developed to deliver those savings.	Action Plans developed for identified potential procurement savings in line with the Procurement Strategy	Reporting to Executive - Quarterly audit of completed action plans.
13. Contract Payments All contract payments and payments to contractors are made in line with documented processes	100% of contract payments and payment to contractors are made in line with documented processes	10% of contract payments and payments to contractors are audited	Reporting to Executive - Quarterly audit
14. Financial & Economic Implications Financial & economic implications are adequately addressed in all Council reports.	Financial & economic implications are adequately addressed in 100% of Council reports.	Council reports	Council reports to be reviewed by Directors
15. Unbudgeted Proposals Ensure that any Council recommendations requesting additional or amended funding ie for non-budgeted projects or increases in existing project budgets be specific in the amount being requested and over what timeframe.	100% Council recommendations requesting additional or amended funding are specific in the amount being requested and over what timeframe.	Council reports	Council end of month financial statements to be reviewed by Directors
16. Carryovers Limit annual budget carryovers to grant funded capital projects, those projects impacted by external dependencies or projects that by their very nature are multi-year projects.	No annual budget carryovers (exemption for grant funded capital projects or to those specific projects impacted by external dependencies and those that are multi-year projects).	Annual carry-overs report	Reporting to Council Annually

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17. Contractors Implement a process to assess the risks to Council of engaging an entity that could be deemed to be an employee of Council - hence exposing Council to increased risk in a number of areas. <i>Note: this outcome has been reworded - refer Executive Briefing Note dated October 2014.</i>	Mitigate the risk of exposure to Council for engaging external providers who may be deemed as an employee	Internal staff guideline developed for engaging contractors - Including risk considerations (matrix).	Audit reporting to the Executive
18. Over Expenditures Monitor all over expenditures on capital projects with a view to limiting over expenditures into the future.	Monthly monitoring with report to the Executive on an exception basis	Finance & project data	Monthly exception reporting to the Executive
19. Budget Management Internal financial management reporting is utilised across the organisation in the day-to-day management of operational and capital budgets.	Standard reports are utilised across the organisation for management of budgets	Finance data	Standard template development. Monthly exception reporting to Executive.
20. Budget Development Annual operating and capital budgets are developed in a collaborative manner between Group Managers, Directors and Financial Services in line with the accepted budget processes and annual budget timetable.	Formal budget development process is documented and implemented for the 14/15 budget development process, using an Authority Register as the key workflow tool.	14/15 operational budget 14/15 capital works budget 14/15 fees and charges	Report to Council to audit budget before end of financial year.
21. Asset Management Asset purchases, constructed assets and asset disposals are to be captured and updated to asset management systems and financial reporting systems on a monthly basis	Asset data is available for financial purposes at year end	Random audit of works program to ensure asset transactions have occurred.	Reporting to Executive - Quarterly
Project Owner			
Project Sponsor			
BIO Representative			