



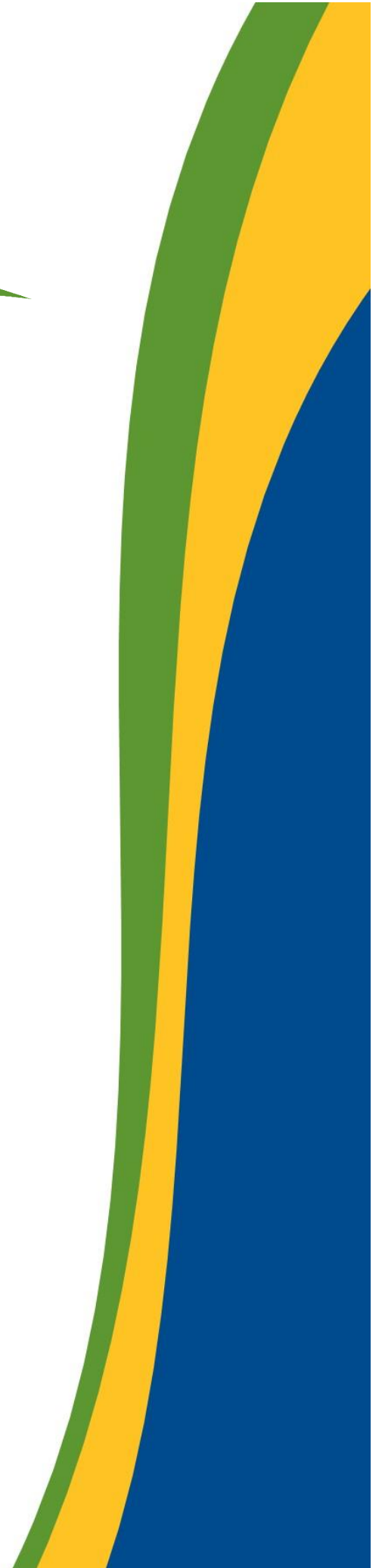
Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Minutes**

### **Audit & Risk Management Committee**

**5 September 2024**



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## Contents

1 DECLARATION OF OPENING .....	4
2 ACKNOWLEDGEMENT OF COUNTRY .....	4
3 ATTENDANCE .....	4
3.1 ATTENDEES .....	4
3.2 APOLOGIES .....	4
3.3 APPROVED LEAVE OF ABSENCE.....	4
3.4 ABSENT .....	4
4 DISCLOSURE OF INTERESTS .....	5
5 CONFIRMATION OF MINUTES .....	6
5.1 CONFIRMATION OF MINUTES FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD 22 APRIL 2024.....	6
6 COMMITTEE REPORTS .....	7
6.1 INTERIM AUDIT FINDINGS .....	7
6.2 COMPLIANCE REPORT (APRIL - JULY 2024) .....	19
6.3 PRIVACY AND RESPONSIBLE INFORMATION SHARING (PRIS) .....	29
6.4 RISK REGISTER REVIEW .....	38
6.5 PROGRESS TOWARDS THE REGULATION 17 REVIEW .....	43
6.6 PROGRESS TOWARDS THE ICT STRATEGY PLAN.....	52
7 URGENT BUSINESS APPROVED BY DECISION.....	61
8 DATE OF NEXT MEETING .....	62
9 DECLARATION OF CLOSURE .....	62

## **1 DECLARATION OF OPENING**

The Presiding Member, Cr A J Mencshelyi, declared the meeting open at 5:30 pm.

## **2 ACKNOWLEDGEMENT OF COUNTRY**

The Presiding Member, Cr A J Mencshelyi, acknowledged the Traditional Owners of the land on which we meet, the Ballardong and Whadjuk people of the Nyoongar nation and paid our respects to Elders, past present and emerging.

## **3 ATTENDANCE**

### **3.1 ATTENDEES**

#### **Council:**

Presiding Member  
Shire President  
Councillors

A J Mencshelyi  
C R Antonio  
H J Appleton  
M I Girak  
M P Ryan

#### **Staff:**

Chief Executive Officer  
Executive Manager Corporate Services  
Governance Coordinator  
Governance Officer

D Terelinck  
C J Young  
A C McCall  
T P Van Beek

### **3.2 APOLOGIES**

Nil.

### **3.3 APPROVED LEAVE OF ABSENCE**

Nil.

### **3.4 ABSENT**

Nil.

#### 4 DISCLOSURE OF INTERESTS

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

As defined in section 5.60A of the Local Government Act 1995, a **financial interest** occurs where a Councillor / Committee Member, or a person with whom the Councillor / Committee Member is closely associated, has a direct or indirect financial interest in the matter. That is, the person stands to make a financial gain or loss from the decision, either now or at some time in the future.

As defined in section 5.61 of the Local Government Act 1995, an **indirect financial interest** includes a reference to a financial relationship between that person and another person who requires a Local Government decision in relation to the matter.

As defined in section 5.60B of the Local Government Act 1995, a person has a **proximity interest** in a matter if the matter concerns a proposed change to a planning scheme affecting land that adjoins the person's land; or a proposed change to the zoning or use of land that adjoins the person's land; or a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.

As defined in clause 22 of the Local Government (Model Code of Conduct) Regulations 2021, an **impartiality interest** means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

Nil.

**5 CONFIRMATION OF MINUTES**

**5.1 CONFIRMATION OF MINUTES FROM THE AUDIT AND RISK MANAGEMENT  
COMMITTEE MEETING HELD 22 APRIL 2024**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.294**

**Moved: Cr H J Appleton**

**Seconded: Cr M P Ryan**

**That the minutes of the Audit and Risk Management Committee Meeting held  
on 22 April 2024 be CONFIRMED as a true and correct record of that meeting.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak  
and Cr M P Ryan

**Against:** Nil

## 6 COMMITTEE REPORTS

### 6.1 Interim Audit Findings

<b>File Reference:</b>	8.2.7.5
<b>Reporting Officer:</b>	Kudzai Matanga (Finance Manager)
<b>Responsible Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

#### BRIEF

The 2023/24 interim audit for the Shire of Northam was conducted by Dry Kirkness accounting firm as appointed auditors by the Office of the Auditor General (OAG). This interim audit was performed as part of the audit procedures, with a final audit to be conducted later in the year.

#### ATTACHMENTS

1. Interim Management Letter to CEO - Shire of Northam - 30 June 2024 (002) [6.1.1 - 1 page]
2. Interim Management Letter Attachment - Shire of Northam - 30 June 2024 (002) [6.1.2 - 6 pages]
3. update on interim audit findings (1) [6.1.3 - 2 pages]

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#### A. BACKGROUND / DETAILS

The 2023/24 interim audit was conducted in April 2024. This report provides the findings raised at the interim audit and the management responses. Attachment 6.1.3 provides details on progress of actions to address the interim audit findings.

#### B. CONSIDERATIONS

##### B.1 Strategic Community / Corporate Business Plan

Performance Area: Performance. Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action: Nil.

## B.2 Financial / Resource Implications

Staffing resources are required for the Shire to carry out the audit requirements.

## B.3 Legislative Compliance

*Local Government Act (1995) and relevant subsidiary  
Local Government (Audit) 1996*

## B.4 Policy Implications

Nil.

## B.5 Stakeholder Engagement / Consultation

Nil.

## B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Nil.	Nil.	Nil.
Health & Safety	Nil.	Nil.	Nil.
Reputation	Nil.	Nil.	Nil.
Service Interruption	Nil.	Nil.	Nil.
Compliance	Nil.	Nil.	Nil.
Property	Nil.	Nil.	Nil.
Environment	Nil.	Nil.	Nil.

## B.7 Natural Environment Considerations

Nil.

## C. OFFICER'S COMMENT

The issues raised by the auditor are contained in Attachment 6.1.2 with five findings raised; two of the findings were rated as significant, one moderate and two minor. The auditor's report provided recommendations on ways to address the findings and management responses are provided including actions that have been undertaken to address the findings.

Two significant findings related to the creditor's master file controls and bank reconciliations have been resolved as recommended. The bank reconciliation is up to date, and now being prepared and reviewed



promptly. The moderate finding has also been resolved, with the two minor findings relating to review and updating of Council Policies expected to be completed by the end of October. Most of the issues identified were a result of staffing issues which have since been resolved.

#### **RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.295**

**Moved: Cr M P Ryan**

**Seconded: Cr H J Appleton**

**That the Audit & Risk Management Committee ENDORSES the following recommendation being presented to Council:**

- 1. That Council NOTES the information provided in Attachment 6.1.1 and 6.1.2 in relation to the findings from the 2023/24 interim audit; and**
- 2. That Council NOTES that actions relating to the significant and moderate findings have been completed, and that actions for the minor findings are in progress as outlined in Attachment 6.1.3.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

*The Governance Coordinator left the meeting and returned at 5:41 pm.*

Clarification was sought in relation to:

- A brief summary was provided regarding the findings and the reasons behind identified issues that have since been resolved.
- Will anything be implemented to manage the risk in the future?

*The Governance Coordinator advised that the Risk Management Policy is currently being reviewed and will be presented to Council at an upcoming Policy Workshop.*

- Will the findings identified in this report be included in the final audit result?

*The Executive Manager Corporate Services confirmed that this is correct.*



Our Ref: 8361

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mrs Debbie Terelinck  
Chief Executive Officer  
Shire of Northam  
PO Box 613  
NORTHAM WA 6401

Mail to: Perth BC  
PO Box 8489  
PERTH WA 6849

Tel: 08 6557 7500  
Email: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Dear Mrs Terelinck

**ANNUAL FINANCIAL REPORT  
INTERIM AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2024**

We have completed the interim audit for the year ending 30 June 2024. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to primarily evaluate your financial control environment, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

**Management control issues**

We would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the course of the interim audit. These matters have been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7625 if you would like to discuss these matters further.

Yours faithfully

*David Delvalle*

David Delvalle  
Acting Director  
Financial Audit  
25 June 2024

Attach

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Untimely preparation and review of the bank reconciliations	No	✓			
2. Supplier Masterfile controls	No	✓			
3. Review of Credit Card transactions	No		✓		
4. Credit Card policy review	No			✓	
5. Risk Management Policy principles and guidelines	No			✓	

**Key to ratings**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. Untimely preparation and review of the bank reconciliations

**Finding**

During the interim audit visit, we found the following discrepancy relating to the preparation and review of the Municipal Bank, Reserve Bank and Trust Bank reconciliations:

- bank reconciliations for the month of July 2023 were signed by the preparer but not by the reviewer.
- bank reconciliations from October 2023 to March 2024 were not performed for any of the bank accounts.
- bank reconciliations for the months of August 2023 and September 2023 were only completed in May 2024 after being requested for inspection by audit.

**Rating:** Significant

**Implication**

The timely preparation and independent review of monthly bank reconciliations is a key control for ensuring financial transactions are valid, complete and accurately reflected in the financial records and bank accounts. The absence of this key financial control may increase the risk of fraudulent transactions, errors or omissions going undetected, resulting in misstatements within the Shire's financial statements. Further the Shire may not know its cash position in a timely manner, impacting its decision making.

**Recommendation**

The Shire should ensure that bank reconciliations are appropriately prepared and independently reviewed in a timely manner. The reviewer should also ensure that reconciling items are accurate and supported and evidence of independent review is maintained.

**Management comment**

*The bank reconciliations have been behind due to staffing issues. We also experienced some system hiccups along the way which were fixed and with a new staff member in the position it did take a bit of time to receipt and reconcile. It is expected that the bank reconciliation will be up to date by 30 June 2024*

**Responsible person:** Finance Manager - Kudzai Matanga  
**Completion date:** 30 June 2024

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. Supplier Masterfile controls

**Finding**

We note that Masterfile Amendments Forms are used to document the authorization of amendments to the supplier database. Out of a sample of 10 Masterfile Amendments Forms tested we noted 10 instances where there was no evidence of review by an independent person. We also note that while there were high-level monthly reviews of changes to the Supplier Masterfile, these were not performed in a timely manner. For example, the high-level review of the December 2023 changes to the Supplier Masterfile was completed in April 2024.

We acknowledge that our testing to validate suppliers' information in the system did not identify any discrepancies.

**Rating:** Significant

**Implication**

Without adequate review of changes made to the supplier Masterfile, there is an increased risk of fictitious suppliers being established or unauthorised changes being made to the suppliers' bank details, this may lead to moneys being misappropriated.

Furthermore, where changes to supplier Masterfile are reviewed after the supplier pay runs, there is an increased risk that any fraud or errors in payments to suppliers will only be detected after the payment is made.

**Recommendation**

All changes made to the supplier Masterfile should be reviewed in a timely manner by an independent officer and appropriate evidence of the review retained. The changes to the supplier Masterfile in our sample should now be reviewed for appropriateness with evidence of review retained.

**Management comment**

*Master file reviews are done monthly and signed off by SFO or Finance Manager, the delays experienced were to do with staffing issues. If you note the audit trail for November all through to March were printed off on the 9<sup>th</sup> of April and reviews done and signed off on the 15<sup>th</sup> of April. We will endeavour to review in a timely manner and ensure amendment forms are reviewed and authorised by the Procurement Coordinator prior to any amends in the master file. We will also maintain the high-level master file review at month end by the SFO or Finance Manager.*

**Responsible person:** Finance Manager - Kudzai Matanga  
**Completion date:** 30 June 2024

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. Review of Credit Card transactions

**Finding**

The Shire's Credit Card Use Policy state that "authorisation of expenditure incurred on credit cards must be signed by both the credit card holder and one other Executive Manager or the Chief Executive Officer". During the interim audit visit, we tested a sample of 18 credit card transactions where there was no evidence of review, as required by the Shire's policies.

We acknowledge that the Shire has retrospectively reviewed and approved these transactions.

**Rating:** Moderate

**Implication**

There is a risk that inappropriate or unauthorised expenditure may go unnoticed in the absence of a timely review of credit card transactions.

**Recommendation**

The Shire should ensure that all credit card transactions are reviewed in a timely manner, in-line with the Credit Card Use Policy.

**Management comment**

*This again it is to do with staffing issues. The credit card processes are done by SFO and we had a new SFO and we lagged behind on a number of things which we are now mostly up to date.*

**Responsible person:** Finance Manager - Kudzai Matanga  
**Completion date:** 30 June 2024

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

4. Credit Card policy review

**Finding**

It was noted that the last documented review of the Shire's Credit Card Use Policy was completed on 21 October 2020. There is no documented evidence that the Shire has completed a review of this policy since.

**Rating:** Minor

**Implication**

There is a risk that the Shire's current policy may become outdated and no longer be fit for purpose in the absence of a more regular review.

**Recommendation**

We recommend that the Shire ensures that all policies are reviewed at least once every 3 years or as required.

**Management comment**

*The purchasing card policy will be updated by the August 2024.*

**Responsible person:** EMCS - Colin Young

**Completion date:** 31 August 2024

ATTACHMENT

NAME OF ENTITY: SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

**5. Risk Management Policy principles and guidelines**

**Finding**

On review of the Shire's Risk Management Policy, it was noted the same was prepared using the old principles and guidelines from AS/NZS 31000:2009 which have since been withdrawn and replaced by ISO 31000:2018.

**Rating:** Minor

**Implication**

There is a risk that the Shire's current Risk Management Policy may not be compliant with the revised required ISO 31000:2018.

**Recommendation**

We recommend that the Shire completes a review of the current Risk Management Policy to ensure that same is in accordance with the revised ISO 31000:2018.

**Management comment**

*The risk management policy will be reviewed and updated to ISO 31000:2018.*

**Responsible person:** EMCS - Colin Young

**Completion date:** 31 August 2024



<b>Finding</b>	<b>Rating</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Actions</b>
1. Untimely preparation and review of the bank reconciliations	Significant	The Shire should ensure that bank reconciliations are appropriately prepared and independently reviewed in a timely manner. The reviewer should also ensure that reconciling items are accurate and supported and evidence of independent review is maintained.	The bank reconciliations have been behind due to staffing issues. We also experienced some system hiccups along the way which were fixed and with a new staff member in the position it did take a bit of time to receipt and reconcile. It is expected that the bank reconciliation will be up to date by 30 June 2024.	Completed. Bank reconciliation up to date and being reconciled and reviewed in a timely manner.
2. Supplier Masterfile Controls	Significant	All changes made to the supplier Masterfile should be reviewed in a timely manner by an independent officer and appropriate evidence of the review retained. The changes to the supplier Masterfile in our sample should now be reviewed for appropriateness with evidence of review retained.	Master file reviews are done monthly and signed off by SFO or Finance Manager, the delays experienced were to do with staffing issues. If you note the audit trail for November all through to March were printed off on the 9 <sup>th</sup> of April and reviews done and signed off on the 15 <sup>th</sup> of April. We will endeavour to review in a timely manner and ensure amendment forms are reviewed and authorised by the Procurement coordinator prior to any amends in the master file. We will also maintain the high-level master file review at month end by the SFO or Finance Manager.	Completed. All changes are confirmed and authorised by Procurement Coordinator prior to any amendments in the master file and the high-level review is done at month end.
3. Review of Credit Card Transactions	Moderate	The Shire should ensure that all credit card transactions are reviewed in a timely manner, in-line with the Credit Card Use Policy.	This again it is to do with staffing issues. The credit card processes are done by SFO and we had a new SFO and we lagged behind on a number of things which we are now mostly up to date.	Completed. All outstanding credit card transactions have been reviewed and are now being processed in a timely manner.
4. Credit Card Policy Review	Minor	We recommend that the Shire ensures that all policies are reviewed at least once every 3 years as required.	The Purchasing Card Policy will be updated by the August 2024.	The Purchasing Card Policy has been reviewed and updated. The revised Policy will be considered at the Policy Workshop on 18 September 2024.

5. Risk Management Policy Principles and Guidelines	Minor	We recommend that the Shire completes a review of the current Risk Management Policy to ensure that same is in accordance with the revised ISO 31000:2018.	The Risk Management Policy will be reviewed and updated to ISO 31000:2018.	The Risk Management Policy has been reviewed and updated to ISO 31000:2018. The updated Policy will be presented to Council in September 2024 given there was only a minor change required to address the findings of the interim audit.
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## 6.2 Compliance Report (April - July 2024)

<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Alysha Mccall (Governance Coordinator)
<b>Responsible Officer:</b>	Debbie Terelinck (Chief Executive Officer)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

This report provides an overview of the Shire's monthly internal auditing activities.

### ATTACHMENTS

1. Internal Auditing Dashboard [6.2.1 - 6 pages]

## A. BACKGROUND / DETAILS

Under the *Local Government (Audit) Regulations 1996*, a Local Government is required to carry out a Compliance Audit for the period 1 January to 31 December of each year. To ensure compliance and to strengthen the auditing in key areas on a more regular basis, the Shire has implemented an internal auditing framework where specific activities and statutory requirements are audited internally.

## B. CONSIDERATIONS

### B.1 Strategic Community / Corporate Business Plan

Performance Area: Performance. Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action 12.1.4: Provide internal auditing capabilities (including providing additional human or financial resources) and publish findings annually.

### B.2 Financial / Resource Implications

Not applicable.

### B.3 Legislative Compliance

There is no legislative requirement to undertake internal auditing, however it is considered best practice and covers the following legislation:

- *Local Government Act 1995;*
- *Local Government (Functions and General) Regulations 1996;*
- *Local Government (Administration) Regulations 1996;*
- *Local Government (Elections) Regulations 1997;*
- *Local Government (Audit) Regulations 1996;*
- *Valuation of Land Act 1978*
- *Building Services (Complaint Resolution and Administration) Regulations 2011*
- *Building and Construction Industry Training Fund and Levy Collection Act 1990*

#### **B.4 Policy Implications**

Policy G 1.8 Risk Management

#### **B.5 Stakeholder Engagement / Consultation**

Nil.

#### **B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	Ability to misuse funds.	Rare (2)x Medium (3) = Low (3)	Compliance calendar assists to ensure compliance
Health & Safety	N/A		
Reputation	N/A		
Service Interruption	N/A		
Compliance	Staff not following legislative requirements	Rare (2)x Medium (3) = Low (3)	Compliance calendar assists to ensure compliance
Property	N/A		
Environment	N/A		

#### **B.7 Natural Environment Considerations**

Nil.

### **C. OFFICER'S COMMENT**

The monthly internal auditing framework is an effective tool to assist in populating the Annual Compliance Audit Return (CAR) and enhances the

Shire's ability to identify and manage issues which may arise during the year, in a timely manner.

Included in the internal auditing framework is a random audit of creditors to ensure compliance with the Shire's Purchasing Policy and the requirements of the *Local Government Act 1995*.

In response to the non-compliances identified, the following actions have been taken:

- Targeted communication to relevant officers in relation to legislative and process requirements.
- General communication to staff through posting on the Shire's intranet.
- Process training is to be scheduled with relevant staff who undertake project management following the finalisation of the organisation structure re-alignment.

#### **RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.296**

**Moved: Cr M P Ryan**

**Seconded: Cr M I Girak**

**That the Audit & Risk Management Committee ENDORSES the following recommendation being presented to Council:**

- 1. That Council RECEIVES the April-July 2024 update on the internal auditing as provided in Attachment 6.2.1.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

Clarification was sought in relation to:

- Concern regarding the increased non-compliances in the procurement and ICS audits, how has this happened?

*The Governance Coordinator advised that this was due to a number of issues, including staff not following the process or simple oversight. Once the issues have been identified the relevant staff are notified and direction is given on how to make compliant in the future. It was also noted that one of the issues was related to an anomaly in the process where a related document still reflected a previous policy version. This has since been corrected.*

*The Governance Coordinator also advised that each audit is carried out on 10 randomly selected items and depending on the items selected, may not provide a true reflection of all actions carried out that month.*

## COMPLIANCE AUDIT

April 2024



May 2024



June 2024

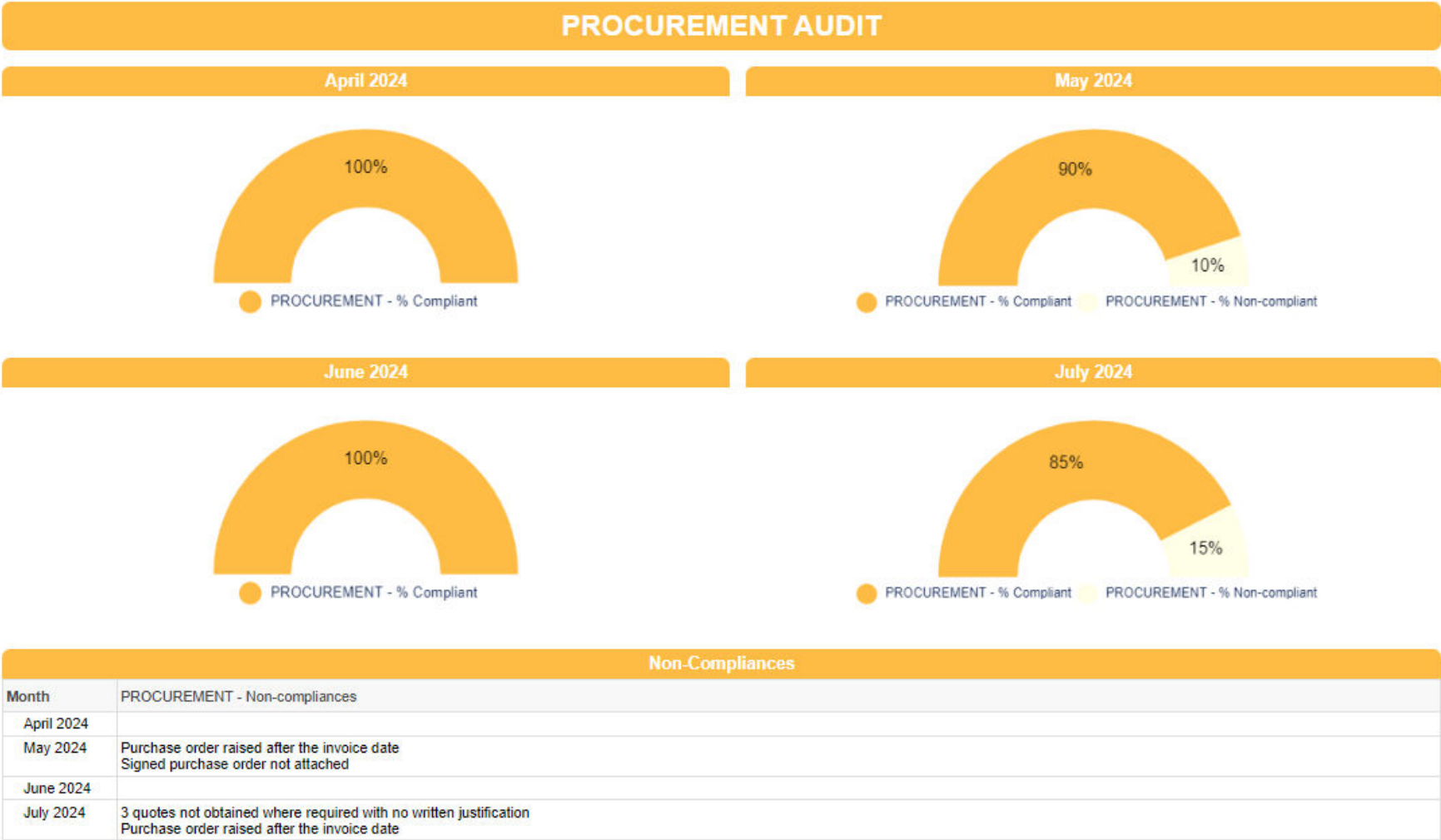


July 2024

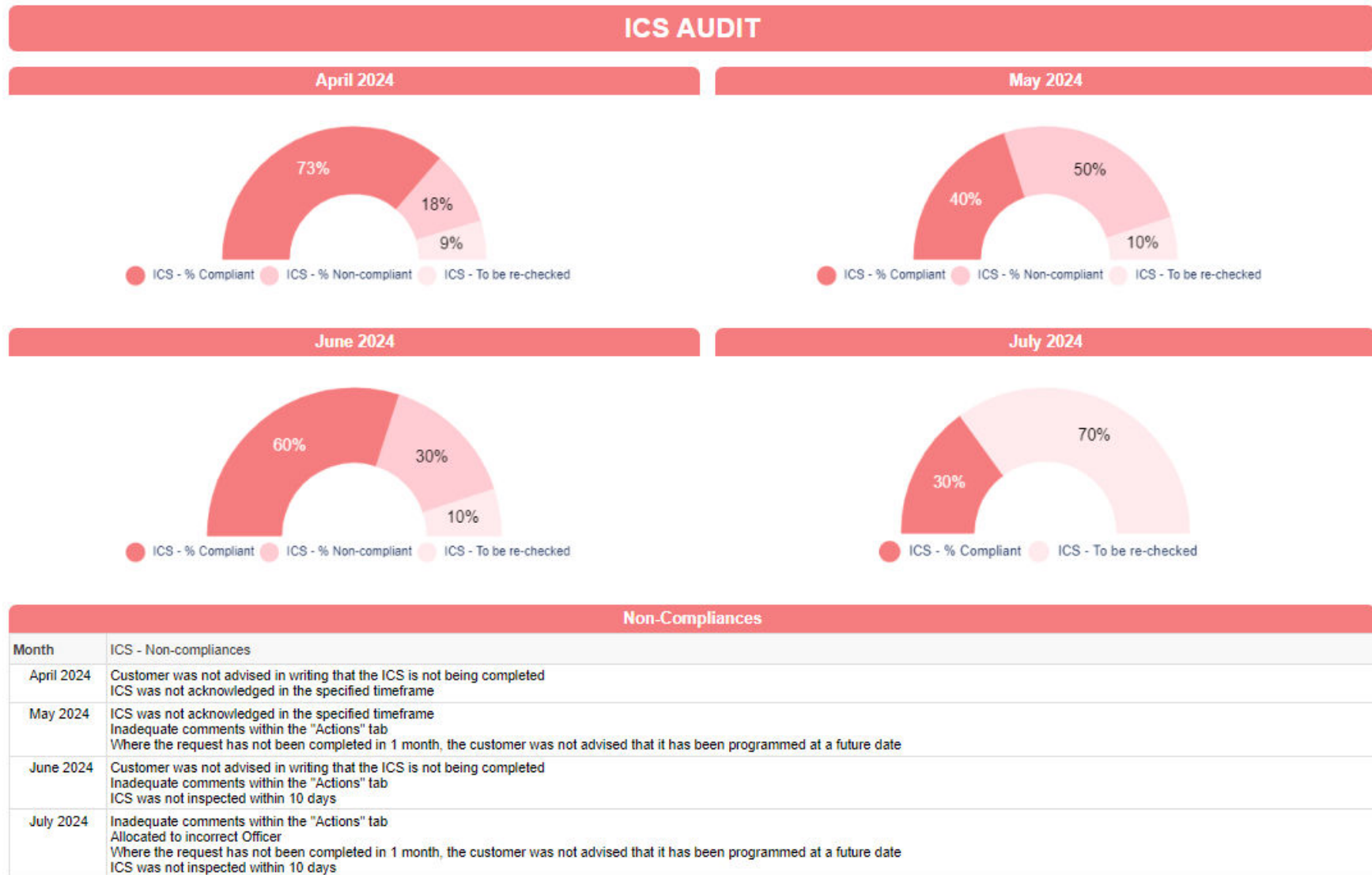


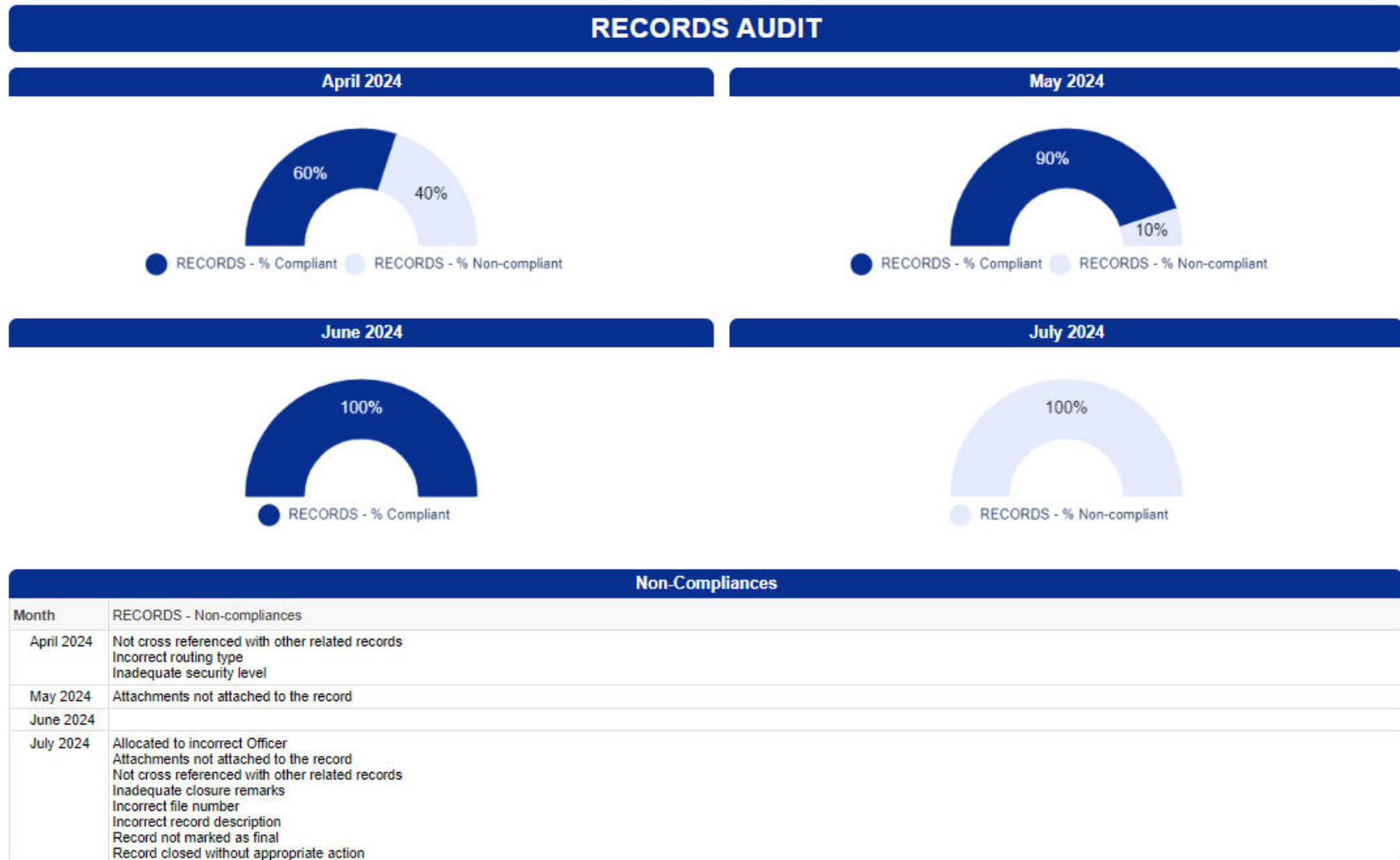
### Non-Compliances

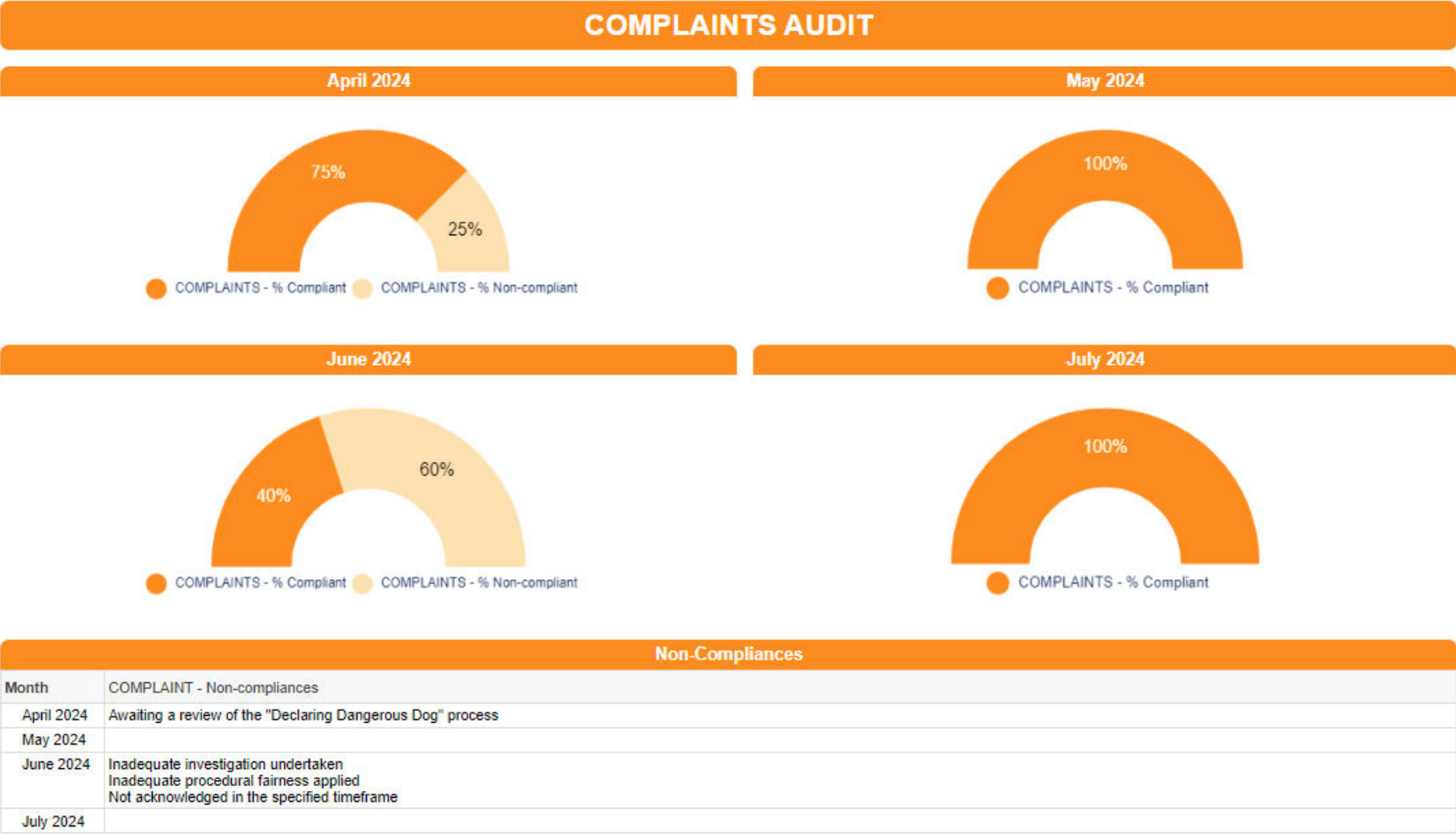
Month	COMPLIANCE - Non-compliances
April 2024	BCITF not paid by the specified date BSL not paid by the specified date Building information not provided to the Valuer General in the specified timeframe Delegated Authority Register not updated
May 2024	Delegated Authority Register not updated Non-compliances with Procurement Policy (see Procurement Audit) Elections Enrolment Eligibility Claims not reviewed Public access to information not provided on the Shire website
June 2024	BCITF not paid by the specified date Delegated Authority Register not updated Tender Register not current on Shire website Public access to information not provided on the Shire website Disposal of property not in accordance with disposal requirements ESL payment not made by the specified timeframe
July 2024	BCITF not paid by the specified date BSL not paid by the specified date Delegated Authority Register not updated Non-compliances with Procurement Policy (see Procurement Audit) Tender Register not current on Shire website





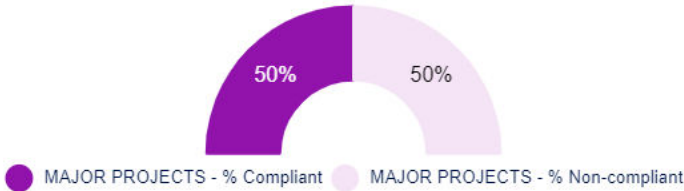




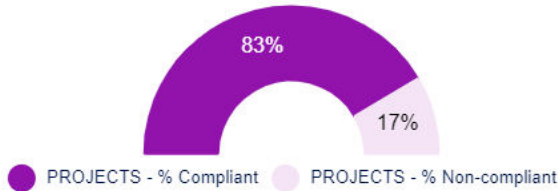


PROJECTS AUDIT

Major Projects July 2024



Projects July 2024



Major Projects Non-Compliances	
Month	MAJOR PROJECTS - Non-compliances
July 2024	A summary of financial outcome was not completed Complex risk analysis and mitigation management was not undertaken Detailed Gantt was not developed Detailed management plans identifying hold points were not developed Detailed working or engineering designs and plans were not signed off prior to commencement by CEO Project was not managed by the Executive Manager Risk treatments were not captured in the Risk Register

Projects Non-Compliances	
Month	PROJECTS - Non-compliances
July 2024	High or Extreme risks were not identified and added to Risk Register Risk analysis and priority mitigation was not undertaken Risk assessment was not signed off by Executive Manager

### 6.3 Privacy and Responsible Information Sharing (PRIS)

<b>File Reference:</b>	1.4.4.14
<b>Reporting Officer:</b>	Alysha Mccall (Governance Coordinator)
<b>Responsible Officer:</b>	Debbie Terelinck (Chief Executive Officer)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

#### BRIEF

To protect the personal information of Western Australians and facilitate responsible use and sharing of government data, the WA Government is drafting privacy and responsible information sharing (PRIS) legislation. Officers have developed an Action Plan to coordinate the PRIS readiness activities to ensure compliance when the new legislation comes into effect.

This report provides an update on the required actions and progress to date.

#### ATTACHMENTS

1. PRIS Action Plan [6.3.1 - 5 pages]

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#### A. BACKGROUND / DETAILS

The privacy and responsible information sharing legislation will provide Western Australians with greater control over their personal information and improve the delivery of government services. This legislation will enable data to be shared within government for the right reasons and provide greater accountability and transparency about how government uses personal information.

Broadly, the legislation introduces reforms that provide:

1. guiding principles and a framework to govern the collection, protection, use and disclosure of personal information across the public sector;
2. a mandatory data breach notification scheme, requiring agencies to notify the Privacy Commissioner and affected individuals of serious data breaches involving personal information; and
3. a mechanism that supports Aboriginal data sovereignty and governance in WA, by requiring that Aboriginal people and

communities are involved or consulted when data about them is shared.

An Agency PRIS Readiness Plan and checklist has been developed to help agencies prepare for and implement the legislation. The Readiness Plan describes the approach, governance, key activities, deliverables and milestones to ensure agencies are prepared to meet both the privacy and responsible information sharing requirements of the legislation once it commences. The checklist outlines the minimum policies and processes an agency should have in place and includes the requirement to develop an agency action plan.

The Shire's Action Plan (refer Attachment 6.4.1) is an internal planning document, describing the approach the Shire will take to prepare for the proposed privacy and responsible information sharing reforms. It is a high-level project management document to direct and coordinate PRIS readiness activities across the organisation. The Action Plan describes the results of the Shire's PRIS Readiness Assessment, and the actions required to resolve any identified gaps in PRIS readiness capabilities. It notes who is responsible for these actions and indicates due dates for completion.

The anticipated timeframe for agencies to complete the checklist is by June 2025.

## **B. CONSIDERATIONS**

### **B.1 Strategic Community / Corporate Business Plan**

Performance Area: Performance.

Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action: Nil.

### **B.2 Financial / Resource Implications**

Staffing resources are required in order to action the recommendations detailed within the PRIS Action Plan.

### **B.3 Legislative Compliance**

Privacy and Responsible Information Sharing (PRIS) reforms.

There is a range of agency legislation such as local laws which needs to be reviewed to identify provisions that relate to the handling of personal information or sensitive personal information; or relate to the sharing or disclosure of other types of information. This task is captured accordingly in the PRIS Action Plan.

#### B.4 Policy Implications

Nil.

#### B.5 Stakeholder Engagement / Consultation

Nil.

#### B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	N/A		
Health & Safety	N/A		
Reputation	N/A		
Service Interruption	N/A		
Compliance	Non-compliance with PRIS reforms.	Possible (3) x Medium (3) = Moderate (9)	Implement agency Action Plan with regular monitoring and reporting undertaken to the Audit and Risk Management Committee.
Property	N/A		
Environment	N/A		

#### B.7 Natural Environment Considerations

Nil.

### C. OFFICER'S COMMENT

The Action Plan that has been developed to capture required actions and monitor progress is provided in Attachment 6.4.1. Progress has commenced towards the required actions within the specified timeframes.

Key to table:

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.297**

**Moved: President C R Antonio**

**Seconded: Cr H J Appleton**

**That the Audit and Risk Management Committee ENDORSES the following recommendation being presented to Council:**

- 1. That Council RECEIVES the September 2024 update as provided in Attachment 6.3.1 in relation to the progress made towards the Privacy and Responsible Information Sharing (PRIS) Action Plan.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil



Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
4.1	Designate PRIS Champions	The designated PRIS Champion(s) have attended sector wide PRIS awareness sessions and briefings. The PRIS Champion(s) consistently promotes a culture that values the protection of personal information, supports safe and responsible information sharing practices, and encourages integration of PRIS requirements with broader business processes.	30/04/23	Alysha McCall	Governance Coordinator designated as PRIS Champion. Briefing session held on 19 June 2023.	Completed	20/06/23
5.3	Complete PRIS Action Plan	The agency PRIS Action Plan is completed and approved by the responsible senior officer.	30/06/23	Alysha McCall, Jason Whiteaker	PRIS Readiness Assessment Tool developed and this plan has been developed based on this assessment. Approved by CEO and to be reported to Audit & Risk Management Committee quarterly.	Completed	04/07/23
4.3	Map PRIS to Agency Values	The agency has produced a document (e.g., fact sheet or intranet page) for use in staff training or inclusion in a policy, emphasising the connection between PRIS and the agency's corporate values, promoting a culture of respect for the personal information and privacy of individuals with whom the agency engages, and a commitment to responsible information sharing practices. This connection is understood by staff.	31/08/23	Alysha McCall	1/9/2023 Has been posted on staff intranet and included in staff inductions.	Completed	01/09/23
4.4	Designate PRIS Officers	A Privacy Officer and Information Sharing Officer have been formally designated. The Officer(s) may be primarily compliance-focused and have some practices, procedures and systems in place, but these are generally siloed from broader organisational frameworks. Some staff are aware of the Privacy Officer and Information Sharing Officer.	31/08/23	Alysha McCall	Reviewing role against current positions. Likely appointments to be Governance Coordinator, Governance Officer and Senior Records Officer. Clarified with Department of Premier Cabinet in relation to whether CEO can make appointment or if Council resolution is required.  1/9/2023 Governance Coordinator and Governance Officer have been appointed.	Completed	01/09/23
3.4	Attend PRIS Awareness Sessions	The designated Privacy Officer and Information Sharing Officer – and any other key staff from the Agency – have attended all relevant sector wide PRIS awareness sessions and briefings conducted to date.	31/10/23	Alysha McCall, Kunal Sarma, Tamika Van Beek	2/10/2023 - Training for PRIS scheduled for 31 October 2023. Designated staff to attend. 31/10/2023 - Relevant officers from Governance, IT & HR attended webinar.	Completed	31/10/23
8.2	Conduct a Survey of Information Holdings	The agency has identified high risk and/or high value areas of its business, the information and systems that support these business areas. A survey of information holdings has been completed for privacy and responsible information sharing requirements across these business areas.	30/06/24	Alysha McCall, Kunal Sarma	May 2023 - Baseline readiness report was sent to councils. PRIS champions are to be nominated from council. PRIS Readiness Assessment - 18 questions in checklist to fill in, submit progress assessment report#1 between Nov 10 - 17. Need to ensure PRIS Champion can access the dedicated team's site. Need to complete the PRIS readiness assessment - check baseline/progress. 4/12/2023 - Waiting on information from Department with information on what is required to complete the survey of information holdings. 5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 3/05/2024 - PRIS Readiness Plan and checklist have been updated - target dates for future key actions moved out by 6-months. No key actions. Progress Report 2 remains scheduled for May 24 as per PRIS group communications. 7/06/2024 - PRIS Readiness Assessment Progress Report 2 submitted to Department of the Premier and Cabinet. Information Asset Register has been created in Smartsheet. 10/06/2024 - Information Holdings Survey is underway. Required to go to the Executive Manager Meeting to consider how to roll out and capture information. 10/7/2024 - Information Holding Survey has been approved by Executive Team, just need to develop email and Yammer post to be sent out to staff. 17/07/2024 - Information Holding Survey has been distributed to staff. Deadline is 26 July 2024. 29/08/2024 - Following up with departments, currently only the Office of the CEO has been populated.	Underway	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
8.3	Establish an information Asset Register	The agency has identified high risk and/or high value areas of its business, the information and systems that support these business areas. The IAR documents privacy and responsible information sharing requirements across these business areas. The IAR records the general categories of personal information that are collected, used and disclosed by the agency. It describes the purposes for which the information is collected and how it is stored (such as whether it is stored offshore, with a cloud service provider or other third party).	30/06/24	Alysha McCall	4/12/2023 - No progress 5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 10/06/2024 - Information Asset Register has been created and is currently being populated with the required information.	Completed	10/06/24
8.4	Review Agency Legislation	The agency has completed an analysis of priority legislation to identify specific interactions with PRIS provisions or PRIS readiness activities. Activities to address these interactions have been completed or captured in the agency's PRIS Action Plan, or they have been brought to the attention of the PRIS Implementation Steering Committee for discussion.	31/08/24	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 28/08/2024 - Resources provided mid-August 2024 to assist with this process. Advice received that this process should be commenced by 31 August 2024 and completion is not required by this date. Officers have begun reviewing the Shire's legislation as listed in the Record Keeping Plan.	Underway	
9.1	Publish a Privacy Policy	A Privacy Policy is readily available to the public. The Policy is compliance-focused, and provides the information required by law. Staff have been made aware of the Policy.	30/09/24	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 29/08/2024 - Guideline provided mid-August 2024. Development of the policy is underway. Officers are proposing to incorporate this into the Council workshop scheduled on 18 September 2024.	Underway	
10.1	Publish a Data Breach Policy	A Data Breach Policy is readily available to the public. The Policy is compliance-focused, and provides the information required by law. It covers all parts of the organisation. Staff have been made aware of the Policy.	30/09/24	Alysha McCall, Kunal Sarma	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 7/06/2024 - IT has drafted a Cybersecurity Incident Management Policy but not a Data Breach Policy. 2/08/2024 - Development of Data Breach Policy - Deadline Sept 2024. 29/08/2024 - This will now be called a Information Breach Policy to align with the legislation. Guidance was due to be released in August 2024 however has not been released to date. Due to the legislation being in Parliament this is now scheduled to be released late September 2024.	Underway	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
10.2	Establish a Register of Data Breaches	A Data Breach Register has been established, which records the following information: (a) the type of breach – whether personal information was involved, whether the data was subject to an information sharing agreement, how the breach was assessed; (b) who was notified of the breach; (c) when the breach was notified; (d) details of actions taken to prevent future breaches; and (e) the estimated cost of the breach. All identified data breaches are recorded in the register, including: •data breaches involving personal information; •data breaches involving non-personal information; •data breaches assessed as “eligible” or “notifiable,” and •data breaches that are not considered “eligible” or “notifiable” – and how this was assessed.	30/10/24	Alysha McCall, Kunal Sarma	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 7/06/2024 - ICT manages an incidents access database where it records all sorts of ICT related cybersecurity breaches and incidents. 2/08/2024 - Establishment of an internal register for data breaches needs to be done by Oct 2024. 29/08/2024 - Developed however guidelines have not yet been provided. Will monitor and incorporate identified opportunities for improvement in the developed Register.	Underway	
9.2	Publish Collection Notices	Privacy notices are provided where personal information is collected. Notices are compliance-focused, providing the information required by law. Privacy messaging is viewed neutrally as a legal requirement.	31/12/24	Alysha McCall, Tamika Van Beek	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
8.5	Publish a Privacy Management Plan	The agency has a Privacy Management Plan in place and some staff are aware of it. The Privacy Management Plan includes measures for addressing any known privacy compliance gaps.	28/02/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
10.3	Publish a Data Breach Response Plan	A basic Data Breach Response Plan is in place that reflects the recommended steps (Contain, Assess, Notify, Prevent). Staff are generally aware of how to recognise a data breach and are likely to speak up about breaches. Decision making in breach response is largely reliant on the Privacy Officer.	28/02/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
8.6	Review Agency Contracts	New or updated contracts include a confidentiality clause and standard privacy terms. The agency has established a clear and documented process to assess third party privacy policies, practices or systems. It is applied consistently where a third party may have access to personal information. Third parties are only engaged if their privacy practices are equivalent to the agency's, or any gaps are mitigated by contractual controls.	31/03/25	Alysha McCall, Britt Hadlow	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024. 05/07/2024 - Following up with department around requirements needed.	No Action	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
8.7	Review Retention and Disposal Requirements	The agency has completed an analysis of priority retention and disposal arrangements to identify specific interactions with PRIS provisions or PRIS readiness activities. Activities to address these interactions have been addressed or captured in the agency's PRIS Action Plan; or they have been brought to the attention of the PRIS Implementation Steering Committee for discussion.	31/03/25	Alysha McCall, Marlene Plews, Tamika Van Beek	Retention and disposal arrangements have been identified in line with the PRIS provisions. Scheduled to be completed on 17/01/2024. 5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year.  On the 17/01/2024, A total of 60 Archive Boxes were collected from the Depot by Shred-X, for destruction as per GDA Authority.  The remaining 36 Archive boxes have been removed from the Depot Archives and have been placed in the Records room. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	Underway	30/11/23
9.3	Establish procedure for handling and tracking complaints about privacy or responsible information sharing	The agency has established procedures for responding to complaints about privacy or responsible information sharing. Key staff are able to identify and manage a complaint. There is a general channel for the public to engage with the agency and this can be used for complaints (e.g., 'Contact us webform'). Management of complaints is reliant on the Privacy Officer or Information Sharing Officer.	30/04/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
9.4	Establish procedure for individual requests for access to, and correction of, personal information	The agency has established a procedure for responding to individual requests for access to, and correction of, personal information where it is determined to be lawful and appropriate. Key staff are aware of the procedures. Decision making for responses is largely reliant on the Privacy Officer. Request handling and response is compliance focused. Response timeframes may be exceeded, due to resource constraints or limited understanding of information holdings.	30/04/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
9.5	Establish procedure for handling and tracking information sharing requests and data holding requests	The agency has established procedures for responding to information sharing requests and data holdings requests, according to legal requirements. Key staff are aware of the procedures. Decision making for responses is largely reliant on the Information Sharing Officer.	30/04/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
10.4	Establish a procedure for data breach notification and reporting	Procedures for Data Breach Notification have been established. Clear processes are in place to evaluate breaches and assess whether notification is necessary or desirable, with a primary focus on compliance-risks to the agency. Determining whether to notify is driven by the Privacy Officer. Data breach notification occurs where required by law.	30/04/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
12.2	Establish a procedure for conducting Privacy Impact Assessments	PIA process is established but it is only used for high privacy-risk projects. Privacy issues which do not meet the high privacy risk threshold are rarely considered. Where PIAs are completed, they are run by privacy or risk staff and may not be integrated into wider agency change management or project management processes.	30/04/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
4.5 & 4.6	Deliver Internal Staff Training	A training program is established. All customer-facing staff have been trained and are aware of key PRIS requirements relevant to their role and function. All new staff are being trained at induction. Training is compliance-focused and targets specific legal obligations. Staff completion rates and understanding of privacy are monitored.	31/05/25	Alysha McCall, Jan Byers	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	
12.4	Establish Monitoring and Reporting	Monitoring and reporting processes are established. Compliance with regulatory obligations is documented, including keeping records on privacy and responsible information sharing activities. Roles and accountabilities for compliance and senior oversight are documented and well understood across the organisation. Thresholds for escalation of risks, issues, incidents and complaints are defined. Reporting lines are clear and senior management is routinely informed about the performance of PRIS activities.	30/06/25	Alysha McCall	5/1/2023 - There was an email to PRIS Champions on 1 November, indicating some of the target dates in the PRIS Readiness Plan and Checklist will be adjusted, to take account of this. There will be a further update on this in the new year. 6/2/2024 - Made contact with WA Gov to follow up if there is any further information that can be provided as to revised dates. WA Gov advised it is expected that the dates will be pushed out six months. It is expected that further information will be circulated by March 2024.	No Action	

## 6.4 Risk Register Review

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Alysha McCall (Governance Coordinator)
<b>Responsible Officer:</b>	Debbie Terelinck (Chief Executive Officer)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

To provide information relating to the organisational risk register.

### ATTACHMENTS

1. Risk Dashboard [6.4.1 - 1 page]

## A. BACKGROUND / DETAILS

The Shire of Northam has an organisation-wide risk register that has been developed over a period of time. Council has been advised previously that the management of risk is an area which has been under-developed within the organisation and an area which was receiving a focus to ensure awareness of the identified risks and treatment strategies in place.

To assist in the effective management of risk, the Shire is using the Promapp system, which allows for recording of organisational risks and the tracking of the associated treatment actions.

## B. CONSIDERATIONS

### B.1 Strategic Community / Corporate Business Plan

Performance Area: Performance, Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action 12.1.4: Provide internal auditing capabilities (including providing additional human or financial resources) and publish findings annually.

### B.2 Financial / Resource Implications

Funding of \$27,000 per annum is allocated for the Promapp system. Promapp is used for process mapping, risk management, and Work Health and Safety management.

### **B.3 Legislative Compliance**

AS/NZS ISO 31000:2018.

### **B.4 Policy Implications**

Policy G1.11 – Risk Management.

### **B.5 Stakeholder Engagement / Consultation**

Nil.

### **B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	N/A		
Health & Safety	N/A		
Reputation	Negative community perception due to lack of adequate risk management practices within the Shire of Northam	Minor(2) x Possible(3) = Moderate(6)	Continual review of the risk dashboard and associated risk treatments.
Service Interruption	N/A		
Compliance	Non-compliance of Australian Standards and legislation due to lack of risk management practices.	Minor(2) x Possible(3) = Moderate(6)	Continual review of the risk dashboard and associated risk treatments.
Property	N/A		
Environment	N/A		

### **B.7 Natural Environment Considerations**

Nil.

## **C. OFFICER'S COMMENT**

As part of the Risk Management Policy, Council has established two performance indicators being:

1. % of high or extreme risks without mitigation / treatment strategies in place.

Currently all high or extreme risks have mitigation/treatment strategies.

2. % of risk mitigation / treatment strategies overdue

There are currently 137 risk mitigation/treatment strategies, of which 7 are overdue/non-compliant (which equates to 4%) as at 30 August 2024. The overdue actions relate to:

- Review of the Workforce Plan
  - This is currently on hold pending the organisation structure realignment.
- Review of the community support policies
  - This is on hold pending the policy restructure which will establish Council policies and Corporate (internal) policies. This process will inform policy reviews which are required for all policies.
- Develop and implement a climate mitigation and adaptation plan
  - This was carried forward for completion in 2024/25.
- Have an external legal review of standard contract documents every three years.
  - No progress to date.
- Marketing to encourage farmers to have protective clothing in their vehicles in case of a fire emergency.
  - In progress.
- Provide a mechanism for farmers to have private units certified / approved for use on fire ground, whether that be through provision of pre-season checks or requirement to self-certify as part of response sticker application process.
  - Implementing a system for the Incident Controller to approve at an incident. Officers are reviewing the vehicle identifier sticker program.

It has been recognised over the course of the Risk dashboard being reviewed many of the treatments are targeted and managed at operational level, and as such, are monitored and managed by the Chief Executive Officer. Whilst recognising the need to ensure 100% compliance with the Risk dashboard, any overdue/non-compliant actions will be closed out as soon as practicable.

As Council is ultimately responsible for the overall management of risk within the Shire, a summary report broken down into the different risk classification areas will continue to be tabled to Council to remain transparent and accountable. This summary can be found in Attachment 6.4.1.



**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.298**

**Moved: Cr M I Girak**

**Seconded: Cr M P Ryan**

**That the Audit & Risk Management Committee ENDORSES the following recommendation being presented to Council:**

- 1. That Council RECEIVES the September 2024 update on the Shire of Northam Risk Register.**

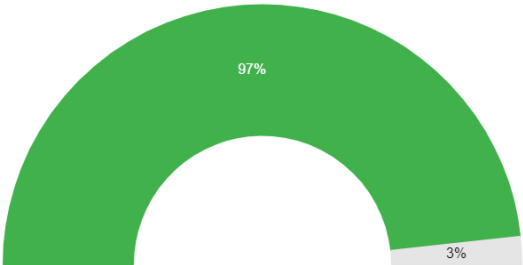
**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

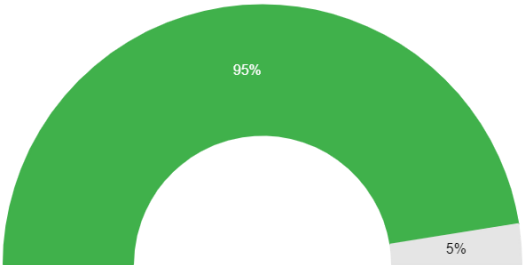
**Against:** Nil

Risk Register Compliance Dashboard

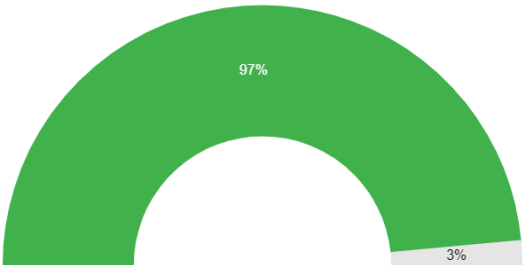
Compliance Risks



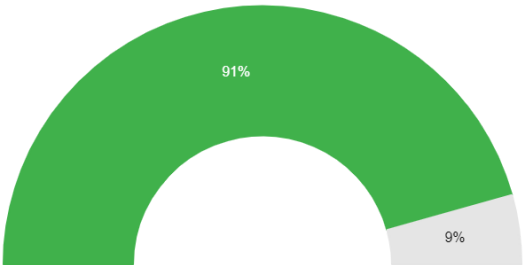
Environment Risks



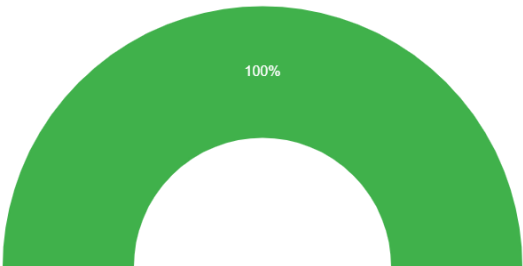
Financial Risks



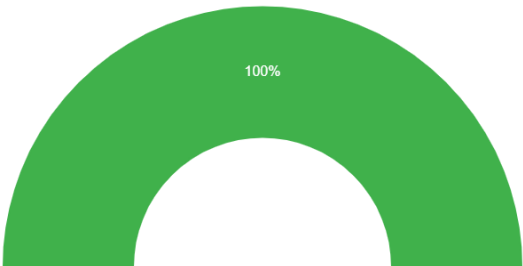
Health & Safety Risks



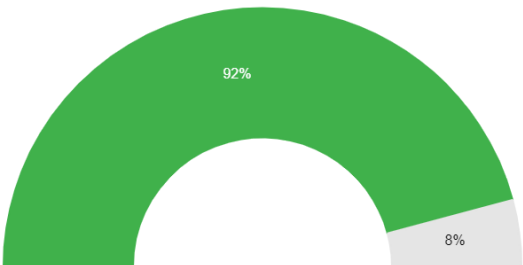
Reputation Risks



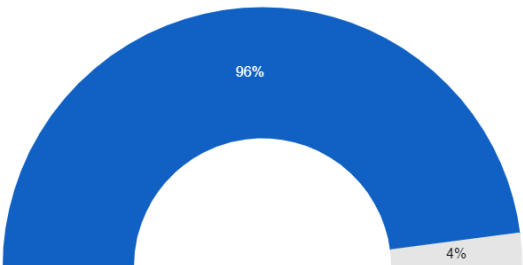
Service Interruption Risks



Strategic Risks



Total Compliance



## **6.5 Progress Towards the Regulation 17 Review**

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Alysha Mccall (Governance Coordinator)
<b>Responsible Officer:</b>	Debbie Terelinck (Chief Executive Officer)
<b>Officer Declaration of Interest:</b>	Nil.
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### **BRIEF**

To provide an update on progress made towards the Regulation 17 Review Action Plan that was presented to Council at the December 2022 Ordinary Council Meeting for adoption.

This report aims to establish a level of accountability in respect to completing the actions identified through the Regulation 17 Review to ensure that the Shire's risk management, internal controls and legislative compliance is appropriate and effective.

### **ATTACHMENTS**

1. Regulation 17 Action Plan Tracker [**6.5.1** - 6 pages]

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### **A. BACKGROUND / DETAILS**

Section 17 of the Local Government (Audit) Regulations requires the Chief Executive Officer to review the appropriateness and effectiveness of the Shire's systems and procedures as they relate to the following areas:

- Risk management
- Internal controls
- Legislative compliance.

The Chief Executive Officer carried out the review internally and the attached report provides the findings and recommendations. The findings and recommendations have been developed into an action plan and provided in Attachment 6.5.1.

### **B. CONSIDERATIONS**

### **B.1 Strategic Community / Corporate Business Plan**

Performance Area: Performance. Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action: Nil.

### **B.2 Financial / Resource Implications**

Staffing resources are required in order to action the recommendations detailed within the Regulation 17 Review Action Plan.

### **B.3 Legislative Compliance**

Local Government Act 1995 and relevant subsidiary legislation.

### **B.4 Policy Implications**

Nil.

### **B.5 Stakeholder Engagement / Consultation**

Nil.

### **B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	Revenue loss to the Shire	Low (2)	Managed by ensuring good practices.
Health & Safety	Nil.	Nil.	Nil.
Reputation	Disruption to current service.	Low (2)	Ensure IT and other services are managed professionally.
Service Interruption	Potential for IT and Administrative disruption.	Low (1)	Ensure changes are managed professionally.
Compliance	Not compliant with legislation.	Low (2)	Review legislation regularly.
Property	Nil.	Nil.	Nil.
Environment	Nil.	Nil.	Nil.

### **B.7 Natural Environment Considerations**

Nil.

## **C. OFFICER'S COMMENT**

The Regulation 17 review indicated that the Shire is proactive in managing risk, internal controls and legislative compliance as well as taking the necessary steps to ensure appropriate risk management, internal controls and legislative compliance policies and practices are in place. Areas for improvement and recommendations have been detailed in Attachment 6.5.1 together with comments on the progress made towards each of these.

Key to table:

**Completed**

**No Action**

**Underway**

### **RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.299**

**Moved: Cr H J Appleton**

**Seconded: President C R Antonio**

**That the Audit & Risk Management Committee ENDORSES the following recommendations being presented to Council:**

- 1. That Council RECEIVES the September 2024 update as provided in Attachment 6.5.1 in relation to the progress made towards the Regulation 17 Action Plan.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

## Regulation 17 Action Plan Tracker

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
1	1. Risk Management	1.1Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered;	Review Risk Management Policy	Britt Hadlow	15/03/2023 - Policy adopted by Council.	Completed
2	1. Risk Management	1.1Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered;	Develop a Risk Management Process	Britt Hadlow	14/04/2023 - Framework and Process is set out in risk policy, process in Promapp not required. Committee has reviewed the overall risk register framework and is reviewing each individual risk area at each of their meetings.	Completed
3	1. Risk Management	1.2Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;	Review a Business Continuity Plan	Alysha McCall	1/9/2023 No progress. 3/11/2023 No progress. 4/12/2023 - Draft Disaster Recovery Plan under review, Governance Coordinator is working on first draft of Business Continuity Plan with LGIS. 5/1/2023 - Currently obtaining quotes to assist with staff training and specialised advice on the development of BCP. 2/2/2024 - Quotes received and submitted for budget review considerations. - JHCS supplied server hardware and currently configuring for BCDR. BCDR testing to commence when configuration successful with no errors. 5/3/2024 - BCP will not be included in budget review. Requested to be included in 24/25 budget considerations. 3/05/2024 - Waiting on budget to be endorsed. 10/06/2024 - Waiting on budget endorsement. 10/7/2024 - Waiting on budget endorsement. 29/08/2024 - Purchase order has been raised for a consultant to assist with this process. Awaiting schedule of timeframes.	Underway
4	1. Risk Management	1.2Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;	Review the IT Disaster Recovery Plan	Colin Young	12/04/2023 have sought input from Councils external ICT provider.  17/07/2023 external ICT provider has provided with a quote for a BCDR plan - need to review.  1/12/2023 An ICT BDDR plan has been developed and will be presented to the Audit Committee on the 6 December 2023.	Completed

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
5	1. Risk Management	1.2 Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;	Establish a program to test the Business Continuity Plan and IT Disaster Recovery Plan annually to ensure efficacy.	Britt Hadlow, Colin Young, Kunal Sarma	<p>12/04/2023 Have liaised with external ICT provider JH Computers to organize a testing phase for the IT Disaster recovery and Business Continuity plan.</p> <p>05/05/2023 Preparing on how to carry out the IT Disaster recovery plan. Waiting for JH Computers to provide more information on the existing backups and system recovery.</p> <p>2/06/2023 - Awaiting to hear back from Tim from JH Computers.</p> <p>7/07/2023 - JH Computers have provided quote for a complete BCDR plan - need to review. We don't have a full-fledged working BCDR plan in place.</p> <p>23/08/2023 - To present document for review in Sept.</p> <p>1/9/2023 Business Continuity Plan pending 1.1 being completed.</p> <p>03/11/2023 - BCDR document has been updated with the relevant costing to consider for. And needs to go to committee to review.</p> <p>4/12/2023 - Shire of Northam IT Backup &amp; Recovery Plan - signed off by executive group.</p> <p>16/01/2023 - To liaise with JHCS and provide them with PO &amp; get the BCDR plan into action.</p> <p>13/02/2024 - JHCS supplied hardware, currently being configured to ensure backup replication is happening with no errors. Upon successful completion - BCDR testing can take place.</p> <p>05/03/2024 - JHCS is fixing issues with the backup to the Datto server as well as cloud backup. Once we get confirmation from them that backups are successful with no errors, then we can commence with BCDR testing. Testing likely to take place March end - April.</p> <p>05/04/2024 - Backup is running fine. Next step is to conduct BCDR scenario testing. Organizing date and time with JHCS for testing.</p> <p>03/05/2024 - BCDR Test Simulation to be performed on 10th May.</p> <p>7/06/2024 - BCDR Test Simulation performed on 20th May with JHCS, where the Synergy server was shut down for 45mins, and was able to log into Synergy when the BCDR VM was switched on from last backup. Waiting on report from JHCS regarding the testing.</p>	Completed

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
6	1. Risk Management	<p>1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;</p> <p>1.10 Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.</p>	Review the Fraud and Corruption Plan prior to June 2023.	Britt Hadlow	<p>31/07/2023 - Reviewed plan being presented to Audit &amp; Risk Management Committee on 22 August 2023.</p> <p>29/8/2023 - Pending adoption by Council - 20 Sept.</p> <p>6/10/2023 - Minor amendments being made then complete.</p>	Completed
7	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Develop internal audit framework to include audits on identified risks in the Fraud and Corruption Control Plan.	Britt Hadlow	01/08/2023 - Risks treatments to be audited bi-monthly on rotation (i.e. 50% audited each month).	Completed
8	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Implement an annual review and sign off for the Code of Conduct for Employees, Volunteers, Contractors and Agency Staff.	Janice Byers, Shire of Northam	<p>29/08/2024 - Currently a part of new employee induction process that the COC is signed and returned.</p> <p>COC is reviewed annually and signed off by the CEO. COC for 2024 complete, just waiting on finalisation of document and sign off by CEO.</p> <p>New Human Resource Information System is expected to be implemented by the end of September 2024, and will include a requirement for staff to reread and sign off COC annually.</p> <p>Item will remain open until this is completed.</p>	Underway
9	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Provide staff with specific training on fraud controls and conducting investigations.	Janice Byers, Shire of Northam	<p>2/2/2024 - Early stages of investigating content for training and best way to deliver of training underway.</p> <p>29/08/24 - Training will be considered after the implementation of the organisational realignment.</p>	Underway



Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
10	1. Risk Management	1.3Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Review ICT Strategy prior to June 2024.	Colin Young, Kunal Sarma	<p>Yet to review the current strategy that the Shire has in place and then work from there.</p> <p>05/05/2023 - Yet to review and then create the strategy</p> <p>02/06/2023 - Yet to review and then create the strategy</p> <p>7/07/2023 - Yet to review existing document in place</p> <p>23/08/2023 - Not yet started reviewing.</p> <p>03/11/2023 - ICT security policy for fileserver has been created and will be incorporated in Promapp's. This will be part of the ICT strategy document as well (which is creation process).</p> <p>4/12/2023 - to incorporate it in Promapp's security strategy.</p> <p>16/01/2024 - to develop Northam Shires ICT strategy shortly.</p> <p>5/01/2024 - plan is in the early stages of development</p> <p>13/02/2024 - through ITV/ReadyTech to change the security settings in Synergy. Currently reviewing existing strategy policy.</p> <p>05/03/2024 - working on strategy document to be present to exec management team in 2 weeks time.</p> <p>05/04/2024 - ICT strategy 2023-28 completed, waiting for final review check and then to be presented for April meeting to the group.</p> <p>09/04/2024 - ICT Strategy Plan 2023-28 completed and currently being presented to the committee for endorsement.</p>	Completed
11	1. Risk Management	1.5Assessing the adequacy of Local Government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;	Implement systems to ensure appropriate insurance is maintained where required by the Shire of Northam for leases and licenses.	Britt Hadlow	<p>06/02/2023 - Documenting within Smartsheet leased properties and the requirements with respect to insurance. Review yet to be undertaken comparing the property insurance register to lease register.</p> <p>1/08/2023 - A review was undertaken for leased properties against the insurance property register to ensure appropriate insurance is maintained. An annual review has been incorporated as an action on the CEO Office Annual Delivery Plan.</p>	Completed
12	2. Internal Control	2.2Control of approval of documents, letters and financial records;	Staff to be provided with training/reminder of need to register certain documents whilst limiting access.	Britt Hadlow, Janice Byers	<p>Developing a suite of weekly 'Did you know' alerts to staff in addition with training videos for registering documents.</p> <p>1/9/2023 Monthly updates to be communicated to staff.</p> <p>13/10/23 Commenced.</p>	Completed
13	2. Internal Control	2.3Limit of direct physical access to assets and records;	Store physical lease and licence records in the Records room to ensure records are appropriately administered.	Britt Hadlow	Cabinet moved on 21/04/2023.	Completed

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
14	2. Internal Control	2.8 Comparison of the result of physical cash and inventory counts with accounting records.	Develop process and procedure for offsite stock management.	Kristy Hopkins	1/2/2024 - Preliminary investigations are underway. 29/04/2024 - BKB have a process in Promapps - Process needed for Pool, Visitors centre & Depot. 29/08/2024 have received process from Rec Centre/Pool and Visitors Centre, awaiting process from Depot.	Underway
15	3. Legislative Compliance	3.1 Reviewing the annual Compliance Audit Return and reporting to council the results of that review;	Have the Compliance Audit Return (CAR) undertaken independently once in every three years (next due for 2023 period)  CAR completed progressively on a monthly basis as part of internal audit process.	Britt Hadlow	01/02/2023 - No progress able to be taken until second quarter of 2023/24. Sourcing quotes to include in 2023/24 budget. 12/04/2023 - Quotes sought and budget request submitted for 2023/24. 1/08/2023 - Included in 2023/24 budget. 1/9/2023 - Budget approved - seeking quotes. 6/10/2023 - Finalising quote. 21/10/2023 - Consultant engaged. 4/12/2023 - No progress 5/1/2023 - Governance Coordinator is currently compiling evidence to send to auditors. 2/2/2024 - Auditors currently assessing evidence provided. Expected site visit in the coming weeks. Report will be prepared for A&R meeting in Feb. 12/2/2024 - Report completed and uploaded to portal. Waiting on Council review from A&R Management Committee, and then endorsement from Council before finalising for submission to the Department. 5/3/2024 - Completed by Australian Audit, February 2023. 09/04/2024 - CAR submitted 26/03/2024, implementation of a compliance calendar audit completed and undertaken on a monthly basis.	Completed
16	3. Legislative Compliance	3.2 How management is monitoring the effectiveness of its compliance and making recommendations for change as necessary;	Report non-compliances identified through internal audits to the Executive Management monthly meeting.	Britt Hadlow, Tamika Van Beek	Executive Managers Meeting Agenda template (V8) has been updated and uploaded in to Promapps. This version will commence use in March 2023	Completed
17	3. Legislative Compliance	3.3 Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the Customer Service Charter	Kudzai Matanga	customer service charter review taken for recommendation and adoption to council 15.05.2024	Completed

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
18	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the Manage Complaints Process incorporating the following: a) Translating services being provided where appropriate. b) Special arrangements that may be required for responding to particular client groups. c) Reference to the public interest disclosure and misconduct processes. d) Declaring interests. e) The Ombudsman's Conducting Investigations Guidelines. f) The Ombudsman's Procedural Fairness Guidelines. g) A review process in which the Complaint Handling Officer's decision is reviewed by a suitably experienced colleague/superior before the complaint is finalised. h) An independent internal review process. i) Consideration towards establishing a designated Complaint Handling Officer. j) A system for analysing complaint information to enable continuous improvement.	Britt Hadlow	01/02/2023 - Limited. 12/04/2023 - Review underway. 4/07/2023 - Complaints process and website updated. Waiting for finalisation of process for complaints relating to council member breaches of the code of conduct. 01/08/2023 - Policy for council member breaches of the code of conduct has been workshopped with council and to be presented to the August OCM for endorsement. 16/08/2023 - Policy endorsed for Council member breaches of the code of conduct which is incorporated into the complaints process.	Completed
19	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the information available on the Shire of Northam website incorporating the following: a) Providing clear information that complaints are handled at no charge. b) Providing the information in the form of other languages and incorporating a "Listen" option.	Britt Hadlow, Colin Young	01/02/2023 - Requested quote for 'Listen' feature 12/04/2023 - Feature implemented.	Completed
20	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Include the effectiveness of the complaint handling system within the internal audit framework.	Britt Hadlow, Colin Young	1/08/2023 - Complaint audit implemented commencing July 2023.	Completed

## 6.6 Progress Towards the ICT Strategy Plan

<b>File Reference:</b>	1.1.9.1
<b>Reporting Officer:</b>	Kunal Sarma (Business Systems Coordinator)
<b>Responsible Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Officer Declaration of Interest:</b>	Nil.
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

To provide an update on the progress made towards the ICT Strategy Plan.

### ATTACHMENTS

1. ICT Strategic Plan Action Plan [6.6.1 - 5 pages]

---

## A. BACKGROUND / DETAILS

The Shire of Northam is moving through a significant period of change and development. In recognition of this and the need to ensure that it can continue to meet the aspirations of the community, the Shire has undertaken to put in place a number of Strategic and Business Plans to deliver short, medium and long-term objectives.

This report aims to establish a level of accountability in respect to completing the actions identified through the audit undertaken by LGIS in 2019 in relation to ICT in order to ensure that continuous improvement occurs within the organisation.

## B. CONSIDERATIONS

### B.1 Strategic Community / Corporate Business Plan

Performance Area: Prosperity.

Outcome 10: An attractive destination for investors, business and visitors; helping to grow the economy and local jobs.

Objective 10.1: Pursue economic growth, innovation and diversification.

Priority Action: Nil.

## **B.2 Financial / Resource Implications**

To be determined as the ICT Strategy Plan is implemented with the funding considered as part of the annual budget process.

## **B.3 Legislative Compliance**

*Local Government Act 1995* and relevant subsidiary legislation.

## **B.4 Policy Implications**

Nil.

## **B.5 Stakeholder Engagement / Consultation**

Nil.

## **B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	Lack of investment into ICT	Possible (3) x Medium (3) = Moderate (9)	ICT Strategic / forward planning involving stakeholders to determine needed and desired current and future outcomes that can be budgeted for.
Health & Safety	EOL/less than WHS ideal ICT hardware, RF and prolonged machine noise exposure	Possible (3) x Medium (3) = Moderate (9)	EOL hardware replacement decisions to consider WHS requirements. Suitable placement or enclosures for noisy ICT gear such as servers and switches.
Reputation	Slow take up of new technologies	Likely (4) x Minor (2) = Moderate (8)	ICT Team continuing to engage with Shire stakeholders, 3 <sup>rd</sup> party vendors, and other councils re: current and emerging

			technologies and methods of delivering desired services.
Service Interruption	Nil.	Nil.	Nil.
Compliance	Nil.	Nil.	Nil.
Property	Nil.	Nil.	Nil.
Environment	Nil.	Nil.	Nil.

### **B.7 Natural Environment Considerations**

Nil.

## **C. OFFICER'S COMMENT**

ICT services are provided to approximately 130 employees across a number of sites, as well as to the community and stakeholders. The ICT Strategy Plan establishes a course of action to guide the future development and delivery of ICT services for the Shire of Northam. An update on the actions undertaken on the Plan is included in Attachment 1 of this report.

Key to table:

**Completed**

**No Action**

**Underway**

### **RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.300**

**Moved: President C R Antonio**

**Seconded: Cr M I Girak**

**That the Audit & Risk Management Committee ENDORSES the following recommendation being presented to Council:**

- 1. That Council RECEIVES the update as provided in Attachment 6.6.1 in relation to the progress made towards implementation of the ICT Strategy Plan.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

Clarification was sought in relation to:

- Has progress been made towards a review of the Business Continuity Plan?

*The Governance Coordinator advised that the procurement process has been finalised to engage a consultant to assist with the review of the Business Continuity Plan.*

## ICT Strategic Plan Action Plan

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
1	Governance	ICT decisions and operations within the Shire will be controlled and guided through a formalised ICT Governance framework. This framework will ensure the alignment of ICT activities with business priorities.	2021 / 2026	Corporate Services / ICT	<p>Draft strategic and operations plans developed. SLAs to be determined.</p> <p>February 2022 Update: In early discussions with external provider regarding SLAs.</p> <p>August 2022 Update: No progress.</p> <p>December 2022 Update: No progress.</p> <p>April 2023 - to review and work on it.</p> <p>Jan 2024 - ICT security document to control AD and Synergy Security Access. Promapps process has been set up. Liaising with ITVision to amend Synergy Security Access.</p> <p>Mar 2024 - ICT Security Policy is to be presented to internal Audit Committee in next committee meeting.</p> <p>April 2024 - ICT AI Policy is to be presented to the Committee in the next meeting. Creating other ICT Policy in process for Internal Policy adoption.</p> <p>July 2024 - ICT Policies created and shared with executive management team for their comment and feedback. Awaiting response.</p> <p>Aug 2024 - Feedback incorporated. Waiting for Council adoption.</p>	Underway
2	Emerging Trends and Technologies	ICT policies and procedures need to be current enabling the organisation to conduct considered reviews of emerging technologies and trends, to ensure they meet current and emerging needs of the organisation.	2021 / 2026	Corporate Services / ICT	Acceptable Use and BYOD policies adopted.	Completed



Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
3	Business Systems and Applications	Appropriately managed business systems and applications will help consolidate and streamline business processes.	2021 / 2026	Corporate Services / ICT	<p>Inventory Register established. RFQ re: potential CRM/RMS upgrade/migration from Synergysoft occurring.</p> <p>February 2022 Update: Tenders have been received and staff will be evaluation and expecting to present to the next Audit Committee meeting.</p> <p>May 2022 Update: No progress.</p> <p>August: Staff are expecting to receive an overview of the Altus System within the month, this will then determine the best way forward.</p> <p>Feb 2023 Data Cleaning in process. COA restructuring project will be commencing soon.</p> <p>April 2023 - COA restructuring underway.</p> <p>July 2023 - Go live with new COA.</p> <p>Aug 2023 - New COA restructuring completed and currently used in Synergy. Staff's are being trained on using the new codes.</p> <p>Discovery phase for Health/Planning/Building modules through Greenlight to commence for 3 days starting 15th August 2023. Parallely to run HR ,module workshop through Pulse.</p> <p>Jan 2024 - Pulse HR module workshops &amp; training scheduled with HR team to commence. Prerequisites were to have name based email addresses. For 30 odd mailboxes, name based id have been created to meet requirements.</p> <p>Greenlight - Building/Planning/Health - identified by internal team that the test environment wasn't fit for purpose for the Shire and has been put on hold. ReadyTech account manager to provide quote for alternative and organize demo session.</p> <p>Altus Content Management - Replacement for Central Records was identified as need to go live before Greenlight due to integration. Queried ITV/Readytech regarding Payroll implementation and go live (April 2024) to go ahead of Altus Content Management.</p> <p>Mar 2024 - Prerequisite -names based email addresses created for 30 users.</p> <p>Pulse (HR) - workshops and training ongoing with HR team.</p> <p>Greenlight (Health/Planning/building) - currently on hold as the test environment set up in Jan was identified as not fit for purpose.</p> <p>Altus Content management kept on hold.</p> <p>April 2024 - CEO and EMCOPRS had meeting with ITV CEO Nigel, new project manager assigned for Northam. Awaiting first meeting and then discuss ERP upgrade implementation and roll out strategy.</p> <p>Pulse (HR) - workshops and training ongoing with HR team. A sandbox play account set up for Northam.</p> <p>July 2024 - Altus Definitiv Payroll Module configuration and testing in place. First parallel pay run passed quality check. Training for Managers/Supervisors and staff scheduled between 10th -12th July.</p> <p>Go Live date for Timesheets - 31st July</p> <p>Go Live date for Payroll - 14th August</p> <p>HR Pulse - 2 modules training done; HR-Payroll integration is in place. Altus requested for HR module to Go Live (with 2 modules) on 14th Aug along with Payroll, so that the integration can be tested, and any errors can be addressed to then.</p> <p>Altus Financials - Altus Readiness Checks in</p>	Underway

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
4	Infrastructure and Technology	ICT has extensive assets and services under management. The best value and maximum benefit from this investment can only be obtained if suitably managed.		Corporate Services / ICT	<p>Systems manual to be developed. Network communications infrastructure plan to be developed.</p> <p>February 2022 Update: No progress.</p> <p>May 2022 Update: No progress.</p> <p>August 2022, limited progress made largely around the Shires CCTV infrastructure which is having a needs assessment carried out.</p> <p>December 2022 Update: No progress.</p> <p>April 2023 - To investigate and enquire with Telstra if they have any open nodes available across Fitzgerald St to rent lines to connect the CCTV poles in order to reduce the congestion in the wireless link for the CCTV infrastructure.</p> <p>July 2023 - To update the existing document as per Shire strategy for grant funding and improving the current CCTVs in place.</p> <p>November 2023 - CCTV Strategy and Audit Complete</p> <p>March 2024 - Engaging with vendors to implement Stage 1 of CCTV strategy.</p> <p>July 2024 - Bernard Park currently fitted with conduits for future strategy connection. Requested for budget for mobile CCTV cameras for 2 months trial purposes. Investigating on Milestone VMS solution for better analytics and to be able to put in LPR cameras in the infrastructure later. Currently upgrading faulty cameras at the hospital pole. Also investigating for grant funding.</p> <p>Aug 2024 - Investigating availability of grand funding.</p>	Underway
5	Disaster Recovery	ICT needs to work with the organisation to establish mission critical services and ensure that disaster recovery and business continuity plans meet current and emerging needs	2021 / 2026	Corporate Services / ICT	<p>Adhoc DR / Business Continuity plan in place and partially tested. Data retention plan developed</p> <p>Jan 2024 - BCDR - Business Continuity &amp; Disaster Recovery program adopted by Council in Dec 2023. PO given out to WALGA supplier JHCS. Currently under configuration state.</p> <p>Feb2024 - BCDR - Hardware DR server delivered, configuration and testing being conducted by JHCS.</p> <p>Mar 2024 - BCDR - Backup report shows backup running. Next phase is to test BCDR in coming months.</p> <p>April 2024 - BCDR implementation is up and running successfully.</p>	Completed

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
6	Security	The threat of cyber security incidents continues to rise. The Shire needs to develop and implement security policies and procedures to meet this increasing threat.	2021 / 2026	Corporate Services / ICT	<p>Ongoing development and training will always be occurring.</p> <p>May 2022 Update: No progress.</p> <p>August 2022, No progress.</p> <p>Februarys 2022 Update: No progress.</p> <p>April 2023 - Currently Northam has in place Rocket cyber with is a 24/7 managed security operations centre (SOC) which monitors for any unusual activity on the network including the 365 tenancy , Datto SAAS protection is the 365 tennacy backups, Datto defence is software that sits in the 365 tenancy and monitors for any injected code into emails, phishing and ransomware attacks on teams, Sharepoint, Outlook, OneDrive . Datto EDR is endpoint detection and remediation . EDR is designed to sit between AV and SOC services and protect endpoints from any unusual activity. And we have Trend AV on all machines</p> <p>July 2023 - Existing Cybersecurity in place is currently functioning well. Next phase is enabling Office365 MFA (multifactor authentication).</p> <p>November 2023 - MFA identification is currently being rolled out and now covers 50% of Staff. In Addition the ICT Disaster Recovery Plan has also been updated.</p> <p>Jan 2024 - MFA rolled out to councilors. Other staff being rolled in with MFA to be completed by mid Feb 2024.</p> <p>Feb 2024 - MFA roll out complete. Requested for quotes for Pen testing &amp; Vulnerability assessment testing.</p> <p>Mar 2024 - SynergySoft Security Structure reviewed and restructured for internal correspondents and file structure.</p> <p>Next is to do Pen testing and Vulnerability assessment testing.</p> <p>April 2024 - PO sent to vendor for performing pen testing and vulnerability assessment testing. Schedule to be carried out in next few weeks.</p> <p>April 2024 - SynergySoft Security levels restructured. ICT Security Policy created. 2FA is in place. RocketCyber 24x7 is in placed along with Datto SAAS Protect and Graphus for Cybersecurity.</p> <p>Vulnerability testing &amp; Pen testing to be carried out as part of audit requirement.</p>	Completed

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
7	Project Management	The effective delivery of ICT projects requires a suitable management framework to be implemented	2022	Corporate Services / ICT	<p>Project Management ICT Procedure to be developed.</p> <p>February 2022 Update: No progress.</p> <p>August 2022 Update: No progress.</p> <p>December 2022 Update: No progress.</p> <p>April 2023 - to review and develop a frame work</p> <p>May 2023 - yet to review and develop</p> <p>July 2023 - Project Management document currently available reviewing that document.</p> <p>November 2023 - Project Management Document has been reviewed and signed off on.</p>	Completed

## 7 URGENT BUSINESS APPROVED BY DECISION

### RECOMMENDATION / COUNCIL DECISION

**Minute No:** AU.301

**Moved:** Cr A J Mencshelyi

**Seconded:** Cr M P Ryan

**That the Committee CONSIDERS urgent business in relation to the status of the Altus financial module rollout and related implications.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

The Executive Manager Corporate Services outlined that the Shire has been advised by ReadyTech that the Altus financial module has not been successfully rolled out to other Local Governments and an alternative Microsoft based system is being considered.

The Executive Manager Corporate Services advised that the risk implications of this are mainly centered around resourcing and timeframes for the project, with the new completion date estimated for 18 months.

### RECOMMENDATION / COUNCIL DECISION

**Minute No:** AU.302

**Moved:** President C R Antonio

**Seconded:** Cr M P Ryan

**The Committee REQUESTS that a report be brought to the next Audit & Risk Management Committee meeting on the ICT System upgrades.**

**CARRIED 5/0**

**For:** Cr A J Mencshelyi, President C R Antonio, Cr H J Appleton, Cr M I Girak and Cr M P Ryan

**Against:** Nil

## **8 DATE OF NEXT MEETING**


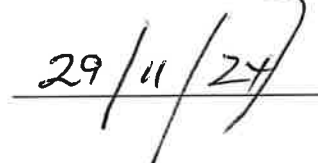
Upcoming meetings:

- 28 November 2024 at 5:30pm, subject to change depending on the finalisation of the Annual Financial Report.

## **9 DECLARATION OF CLOSURE**

There being no further business, the Presiding Member, Cr A J Mencshelyi, declared the meeting closed at 6:17 pm.

"I certify that the Minutes of the Audit & Risk Management Committee Meeting held on 5 September 2024 have been confirmed as a true and correct record."

 Presiding Member  
 Date