



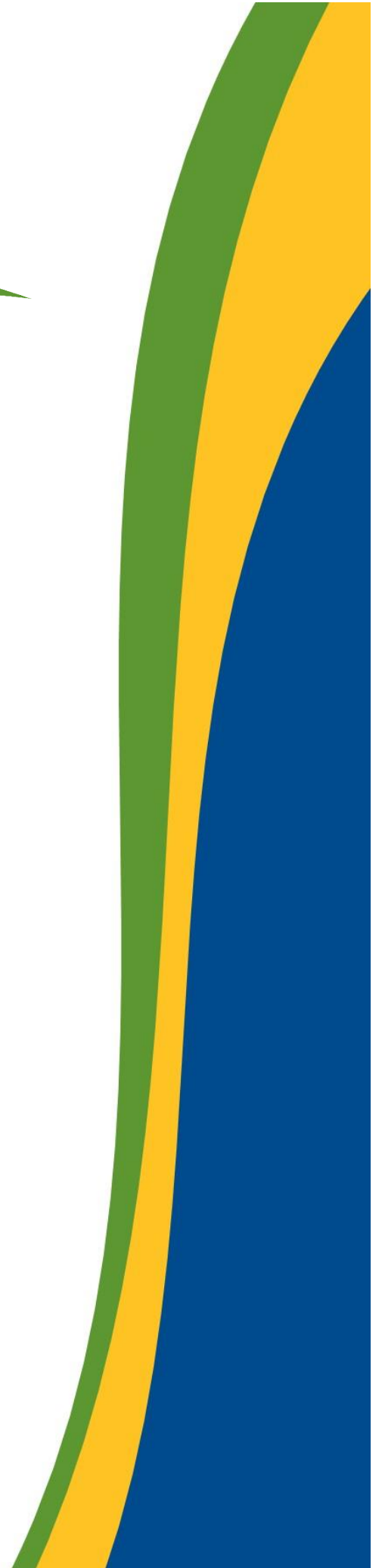
Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Minutes

Audit & Risk Management Committee

11 December 2023



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1 DECLARATION OF OPENING

The Chief Executive Officer, Ms Debbie Terelinck, declared the meeting open at 5:01pm.

2 ELECTION OF PRESIDING MEMBER & DEPUTY PRESIDING MEMBER

In accordance with section 5.12 of the Local Government Act 1995, the members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1.

In accordance with recent changes to the Local Government Act 1995, if there is more than one nomination, the election of Committee Presiding Member will be conducted by secret Ballot and determined using an optional preference voting system, if required.

The members of a committee may elect a deputy presiding member from amongst themselves, but any such election is to be in accordance with Schedule 2.3, Division 2. This does not require the use of optional preferential voting.

Should the presiding member not be available or is unable or unwilling to perform the functions of presiding member, then the deputy presiding member may perform the functions of presiding member

ELECTION PROCESS:

The Chief Executive Officer, Ms D Terelinck, advised that no nominations had been received in writing for the position of Presiding Member.

The Chief Executive Officer called for any nominations from committee members for the position of Presiding Member from the floor. Cr A J Mencshelyi nominated himself for Presiding Member, no further nominations were forthcoming and as such the Chief Executive Officer declared nominations closed at 5:03pm.

The Chief Executive Officer announced that Cr A J Mencshelyi has been elected as Presiding Member unopposed and was seated at 5:03pm.

The Chief Executive Officer advised that no nominations had been received in writing for the position of Deputy Presiding Member.

The Chief Executive Officer called for any nominations from committee members from the floor for the position of Deputy Presiding Member. Cr M P Ryan nominated himself for the position, no further nominations were

forthcoming and as such the Chief Executive Officer declared nominations closed at 5:04pm.

The Chief Executive Officer announced that Cr M P Ryan had been elected as Deputy Presiding Member unopposed and was seated at 5:04pm.

3 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.

4 ATTENDANCE

4.1 ATTENDEES

Committee

Deputy Shire President	A J Mencshelyi
Councillors	H J Appleton
	M P Ryan

Staff:

Chief Executive Officer	D Terelinck
Executive Manager Corporate Services	C B Young
Finance Manager	K Matanga
Business Solutions Coordinator	K Sarma
Governance Coordinator	B J Hadlow
Governance Officer	T P Van Beek

Observer:

Shire President	C R Antonio
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Guest:

Office of the Auditor General	D Delvalle (via Teams)
Dry Kirkness	M van der Merwe

4.2 APOLOGIES

Committee:

Councillor	M I Girak
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4.3 APPROVED LEAVE OF ABSENCE

Nil.

4.4 ABSENT

Nil.

5 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.

6 CONFIRMATION OF MINUTES

6.1 CONFIRMATION OF MINUTES FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD 22 AUGUST 2023

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.265

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

That the minutes of the Audit and Risk Management Committee Meeting held on 22 August 2023 be confirmed as a true and correct record of that meeting.

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

7 COMMITTEE REPORTS

7.1 Audit & Risk Management Committee Terms of Reference - Independent Committee Members

File Reference:	2.1.3.5
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

At the Special Council Meeting on 25 October 2023, Council requested selection criteria be developed to allow a suitably qualified independent committee member to be appointed to the Audit & Risk Management Committee. As such the Terms of Reference have been amended to include the criteria for consideration. A further addition to the Terms of Reference is the inclusion of the Shire President position being an as of right position on the Committee.

This report also provides information on appropriate sitting fees to be paid to the Independent Member according to Salaries & Allowances Tribunal determinations and relevant *Local Government Act 1995* reform information on the payment of sitting fees to independent members.

ATTACHMENTS

1. C S- T R-01 Audit & Risk Management Committee Terms of Reference 2023 - 2025 V 2 - With Mark Up [7.1.1 - 5 pages]
2. C S- T R-01 Audit & Risk Management Committee Terms of Reference 2023 - 2025 V 2 - Without Mark Up [7.1.2 - 5 pages]
3. Salaries & Allowances Tribunal - Independent Committee Member Sitting Fee Determination [7.1.3 - 2 pages]

A. BACKGROUND / DETAILS

The role of the Audit & Risk Management Committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

The *Local Government Act 1995* requires that an audit committee is to:

- At least consist of a minimum of 3 members and in that situation, all must be Council Members.
- Where a committee consists of more than 3 members then a majority of those members must be Council Members.
- Local governments may decide to appoint a committee involving only Council Members or they may appoint one or more persons who are external to the council.
- If a council considers it appropriate, the whole council can be appointed to the audit committee.
- If the local government wishes to appoint one or more persons other than Council Members to the committee, which is recommended, it should ensure that they have the requisite knowledge and skills to provide benefit to the committee.

At the Special Council Meeting held on 25 October 2023, Council resolved to include an independent committee member on the Audit & Risk Management Committee and requested further information on the process and statutory requirements related to the appointment of an independent committee member. This information has been included as an amendment to the Terms of Reference to allow for such a member to be on the committee, with voting rights.

It is also considered appropriate to amend the Terms of Reference for the Audit and Risk Management Committee to enable the Shire President to have a position on the committee given the nature of the role and the involvement of the Shire President in approving the financial statements for the Shire. If supported, this will increase the number of Council Members on the Committee to 5.

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

The *Local Government Amendment Bill 2023*, which was passed in May 2023, included an amendment to clause 5.100 of the *Local Government Act 1995*. This will include new provisions for paying fees and reimbursing expenses of independent committee members sitting on committees of Council. Current legislation does not allow for the paying of sitting fees to an independent committee member on a committee of Council.

On 28 November 2023, WALGA provided advice that the Salaries and Allowances Tribunal had made a determination on prescribed sitting fees for independent committee members. WALGA also advised the changes to clause 5.100 are expected to be enacted in early 2024. It is expected the DLGSC will advise on the commencement of the provision at such a time.

The Salary and Allowance Tribunal determination can be found in Attachment 6.1.3, with the extract of the table of fees shown below. The Shire of Northam is a Class 2 local government.

Table 6: Committee meeting and prescribed meeting fees per meeting – local governments and regional local governments

Band	Elected members		Independent committee members	
	Minimum	Maximum	Minimum	Maximum
1	\$325	\$415	\$0	\$415
2	\$195	\$305	\$0	\$305
3	\$100	\$215	\$0	\$215
4	\$50	\$125	\$0	\$125
All regional local governments	\$50	\$125	\$0	\$125

B.3 Legislative Compliance

Local Government Act 1995 s.5.100 (Current legislation)

5.100. Payments for certain committee members

- (1) A person who is a committee member but who is not a council member, or an employee is not to be paid a fee for attending any committee meeting.

Local Government Amendment Bill 2023 s.80 (Expected to be enacted early 2024)

Section 5.100 replaced

Delete section 5.100 and insert:

5.100. Fees paid and expenses reimbursed to committee members

- (1) A committee member who attends a meeting of the committee is entitled to be paid —
- (a) the fee determined for attending a committee meeting; or
 - (b) if the local government has set a fee within the range determined for committee meeting attendance fees — that fee.
- (2) A committee member who attends a meeting of a prescribed type at the request of the council is entitled to be paid —
- (a) the fee determined for attending a meeting of that type; or
 - (b) if the local government has set a fee within the range determined for meetings of that type — that fee.

B.4 Policy Implications

Audit & Risk Management Committee Terms of Reference.

B.5 Stakeholder Engagement / Consultation

As per the Audit & Risk Management Committee Terms of Reference, the CEO will publicly advertise an expression of interest for a suitably qualified External Independent Member once the amended Regulation has been amended.

It is proposed that relevant local businesses and the Chamber of Commerce will be amongst those that will be informed of the expression of interest.

The CEO will assess any applications received and make a recommendation to the Audit & Risk Management Committee for consideration.

B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Unbudgeted sitting fees required to be paid once relevant legislation is enacted if an External Independent Person is appointed.	Possible (3) x Minor (2) = Moderate (6)	The Audit & Risk Management Committee make a recommendation to Council on fees to be set in accordance with the budget.
Health & Safety	N/A		
Reputation	External Independent Member engages in misconduct.		Include clause in Terms of Reference to allow the Presiding Member to remove an External Independent Member from the committee. Provide the External Independent Person with an

			induction, including a copy of the Code of Conduct for Councillors, Committee Members and Candidates.
Service Interruption	N/A		
Compliance	Non-compliance with the relevant Acts & Regulations.		Appoint the External Independent Person in accordance with the <i>Local Government Act 1995</i> .
Property	N/A		
Environment	N/A		

B.7 Natural Environment Considerations

N/A

C. OFFICER'S COMMENT

The Audit & Risk Management Committee Terms of Reference have been updated to include:

1. Amendments to committee membership:
 - a. Include the Shire President as a committee member, as of right.
 - b. Include the option of including a suitably qualified External Independent Person.
2. Terms of the External Independent Person.
3. Selection Criteria for the External Independent Person.

The committee is being requested to review and make comment on the changes to the Terms of Reference, to allow a recommendation to be made to Council for endorsement.

The information being provided with reference to the Salary and Allowance Tribunal determination and WALGA advice on the new legislation pertaining to clause 5.100 of the Local Government Act being enacted early 2024 is for the committee to note.

Anticipating the new legislation will be enacted before the next Audit & Risk Management Committee Meeting, a report will be tabled at the February 2024



meeting to make a recommendation on the fees to be set and to request the CEO to go out for expression of interest for the position.

It is noted that the new legislation states that the sitting fees are able to be set for all independent members of committees of council. It is proposed that sitting fees will only be considered for the Audit & Risk Management Committee External Independent Member (and not other committees of council) to provide some remuneration for the independent member's level of expertise and advice.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.266

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

That the Audit and Risk Committee endorses the following recommendation being presented to Council:

That Council:

- 1. Adopts the updated Audit & Risk Management Committee Terms of Reference as set out in Attachment 6.1.1.**
- 2. Notes that a report with further updates on the *Local Government Act 1995* reforms pertaining to clause 5.100 will be provided to the February 2024 Audit & Risk Management Committee.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Clarification was sought regarding:

- Even though a maximum payment amount is prescribed, can we increase that amount if we need to?

The Chief Executive Officer advised that we can not increase the prescribed amount. We have the option to pay under the prescribed amount if we wish, but not over it.

TERMS OF REFERENCE SHIRE OF NORTHAM AUDIT & RISK MANAGEMENT COMMITTEE
--

1. Objectives of Audit & Risk Management Committee

The primary objective of the Audit and Risk Management Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs. The Committee will also oversee critical areas including risk management & internal audit.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- The enhancement of the credibility and objectivity of external & internal financial reporting;
- Compliance with laws and regulations as well as use of best practise guidelines relative to auditing;
 - The coordination of the internal audit
 - Function with the external audit
- Effective oversight of financial and other risks and the protection of Council assets
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

2. Powers of the Audit & Risk Management Committee

The committee is a formally appointed committee of Council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

3. Membership

The committee shall consist of: ~~four elected members:~~

- ~~The Shire President~~
- ~~4 Elected Members~~
- ~~1 External Independent Member~~

All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO and or their nominee is to attend all meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

External Independent Members

Expressions of interest for appointment of any External Independent Member shall be publicly advertised by Council.

Appointment of any External Independent Member will be for a maximum of 2 years.

At the end of the term, an independent member is eligible to reapply and be appointed but will be subject to the requirements of the recruitment / expressions of interest process each term expiry.

The evaluation of potential independent members will be administered by the CEO and the appointments will be approved by Council.

Reimbursement of expenses can be made to External Independent Members in accordance with relevant legislation.

Council may terminate the appointment of any member prior to the expiry of their term, if:

- The Presiding Member considers that the member is not making a positive contribution to the Committee; or
- The member is found to be in breach of the Shire of Northam Code of Conduct or a serious contravention of the Local Government Act 1995; or
- A member's conduct, action or comments brings the Shire of Northam into disrepute.

Council must give written notice to any External Independent Member that Council proposes to remove them from the committee and must provide the External Independent Member the opportunity to make a deputation at the relevant ~~meeting~~Council Forum or Meeting as applicable.

Selection Criteria for External Independent Member:

- Must have senior business, financial management or requisite knowledge and skills to benefit the committee.
- Exposure to local government, demonstrated knowledge of risk management principles and practices and relevant tertiary qualifications are not essential but will be highly regarded.
- Expressions of Interest will not be considered if applicants are current serving Elected Members of other local governments.

4. Quorum

The quorum at any meeting shall be half plus one of the number of offices. Therefore the number for a Quorum shall be ~~3~~4 voting members.

5. Meetings

The committee shall meet at least four times annually.

Additional meetings shall be convened at the discretion of the presiding person.

Meetings shall not be open to the public pursuant to Section 5.23 of the Local Government Act.

6. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

7. Duties and Responsibilities

The duties and responsibilities of the committee will be -

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.
- b) Develop and recommend to Council –
 - A list of those matters to be audited; and
 - The scope to be undertaken.
 - Recommend to Council the person or persons to be appointed for internal audits.

- Present to Council a written agreement for the appointment of the auditor. The agreement is to include –
 - The objectives of the audit;
 - The scope of the audit;
 - A plan of the audit;
 - Details of the remuneration and expenses to be paid to the auditor; and
 - The method to be used by the local government to communicate with, and supply information to, the auditor.
- c) Meet with the auditor once in each year.
- d) Liaise with the CEO to ensure that the local government does everything in its power to –
 - Assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - Ensure that audits are conducted successfully and expeditiously.
- e) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
 - Determine if any matters raised require action to be taken by the local government; and
 - Ensure that appropriate action is taken in respect of those matters.
- f) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- g) Review the scope of the audit plan and program and its effectiveness.
- h) Address issues brought to the attention of the committee that are within the parameters of the committee's terms of reference.
- i) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council.
- j) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO

- k) Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- l) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs
- m) Review the local government's draft annual financial report, focusing on –
 - Accounting policies and practices;
 - Changes to accounting policies and practices;
 - The process used in making significant accounting estimates;
 - Significant adjustments to the financial report (if any) arising from the audit process;
 - Compliance with accounting standards and other reporting requirements; and
 - Significant variances from prior years;
- n) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- o) Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- p) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- q) Oversee the effective management of risk within the Shire of Northam, including review of risk management policies & procedures, reviewing outstanding risk mitigation actions and periodically reviewing the Shire of Northam risk register.
- r) Review the annual Compliance Audit Return and report to the council the results of that review, and
- s) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

TERMS OF REFERENCE SHIRE OF NORTHAM AUDIT & RISK MANAGEMENT COMMITTEE
--

1. Objectives of Audit & Risk Management Committee

The primary objective of the Audit and Risk Management Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs. The Committee will also oversee critical areas including risk management & internal audit.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- The enhancement of the credibility and objectivity of external & internal financial reporting;
- Compliance with laws and regulations as well as use of best practise guidelines relative to auditing;
 - The coordination of the internal audit
 - Function with the external audit
- Effective oversight of financial and other risks and the protection of Council assets
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

2. Powers of the Audit & Risk Management Committee

The committee is a formally appointed committee of Council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

3. Membership

The committee shall consist of:

- Shire President
- 4 Elected Members
- 1 External Independent Member

All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO and or their nominee is to attend all meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

External Independent Member

Expressions of interest for appointment of any External Independent Member shall be publicly advertised.

Appointment of any External Independent Member will be for a maximum of 2 years.

At the end of the term, an independent member is eligible to reapply and be appointed but will be subject to the requirements of the recruitment / expressions of interest process each term expiry.

The evaluation of potential independent members will be administered by the CEO and the appointment will be approved by Council.

Reimbursement of expenses can be made to External Independent Members in accordance with relevant legislation.

Council may terminate the appointment of any member prior to the expiry of their term, if:

- The Presiding Member considers that the member is not making a positive contribution to the Committee; or
- The member is found to be in breach of the Shire of Northam Code of Conduct or a serious contravention of the *Local Government Act 1995*; or
- A member's conduct, action or comments brings the Shire of Northam into disrepute.

Council must give written notice to any External Independent Member that Council proposes to remove them from the committee and must provide the External Independent Member the opportunity to make a deputation at the relevant meeting as applicable.

Selection Criteria for External Independent Member:

- Must have senior business, financial management or requisite knowledge and skills to benefit the committee.
- Exposure to local government, demonstrated knowledge of risk management principles and practices and relevant tertiary qualifications are not essential but will be highly regarded.
- Expressions of Interest will not be considered if applicants are current serving Elected Members of other local governments.

4. Quorum

The quorum at any meeting shall be half plus one of the number of offices. Therefore the number for a Quorum shall be 4 voting members.

5. Meetings

The committee shall meet at least four times annually.

Additional meetings shall be convened at the discretion of the presiding person.

Meetings shall not be open to the public pursuant to Section 5.23 of the Local Government Act.

6. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

7. Duties and Responsibilities

The duties and responsibilities of the committee will be -

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.
- b) Develop and recommend to Council –
 - A list of those matters to be audited; and
 - The scope to be undertaken.
 - Recommend to Council the person or persons to be appointed for internal audits.
 - Present to Council a written agreement for the appointment of the auditor. The agreement is to include –

- The objectives of the audit;
 - The scope of the audit;
 - A plan of the audit;
 - Details of the remuneration and expenses to be paid to the auditor; and
 - The method to be used by the local government to communicate with, and supply information to, the auditor.
- c) Meet with the auditor once in each year.
- d) Liaise with the CEO to ensure that the local government does everything in its power to –
- Assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - Ensure that audits are conducted successfully and expeditiously.
- e) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
- Determine if any matters raised require action to be taken by the local government; and
 - Ensure that appropriate action is taken in respect of those matters.
- f) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- g) Review the scope of the audit plan and program and its effectiveness.
- h) Address issues brought to the attention of the committee that are within the parameters of the committee's terms of reference.
- i) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council.
- j) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO

- k) Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- l) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs
- m) Review the local government's draft annual financial report, focusing on –
 - Accounting policies and practices;
 - Changes to accounting policies and practices;
 - The process used in making significant accounting estimates;
 - Significant adjustments to the financial report (if any) arising from the audit process;
 - Compliance with accounting standards and other reporting requirements; and
 - Significant variances from prior years;
- n) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- o) Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- p) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- q) Oversee the effective management of risk within the Shire of Northam, including review of risk management policies & procedures, reviewing outstanding risk mitigation actions and periodically reviewing the Shire of Northam risk register.
- r) Review the annual Compliance Audit Return and report to the council the results of that review, and
- s) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

SALARIES AND ALLOWANCES ACT 1975

DETERMINATION VARIATION

PREAMBLE

The *Local Government Amendment Act 2023*, assented to on 18 May 2023, changes the *Local Government Act 1995* to provide for independent committee members to receive meeting fees. An independent committee member is a committee member who is not an elected member or an employee of the local government. The Salaries and Allowances Tribunal has issued a Determination to allow for the payment of meeting fees to independent committee members. Local governments will have the ability to set appropriate fees, within a specified range.

DETERMINATION

The Local Government Chief Executive Officers and Elected Members Determination No. 1 of 2023, issued on 6 April 2023, under sections 7A and 7B(2) of the *Salaries and Allowances Act 1975*, as amended from time to time, are hereby varied by a Determination set out below.

- Under Part 1.4 Terms used, insert the following:
Independent committee member means a person who is a committee member but who is neither a council member nor an employee.
- Under Part 6.1.2, insert the following:
"3. Pursuant to section 5.100(2)(b) and (3)(b) of the LG Act, a committee member who is not an elected member or employee of the local government, who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- Delete Part 6.3 and insert the following:
6.3 Committee Meeting and Prescribed Meeting Attendance Fees – Per Meeting
(1) The ranges of fees in Table 6 apply where a local government or regional local government decides to pay a council member or independent member a fee referred to in –
 - section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
 - section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.
 - section 5.100(2)(a) of the LG Act for attendance at a committee meeting

- section 5.100(2)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

Table 6: Committee meeting and prescribed meeting fees per meeting – local governments and regional local governments

	Elected members		Independent committee members	
Band	Minimum	Maximum	Minimum	Maximum
1	\$325	\$415	\$0	\$415
2	\$195	\$305	\$0	\$305
3	\$100	\$215	\$0	\$215
4	\$50	\$125	\$0	\$125
All regional local governments	\$50	\$125	\$0	\$125

Signed on 23 October 2023.

M Seares AO
CHAIR

B A Sargeant PSM
MEMBER

Hon. J Day
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

7.2 Shire of Northam Annual Report 2022/23

File Reference:	8.2.7.1
Reporting Officer:	Mia Miller (Management Accountant)
Responsible Officer:	Colin Young (Executive Manager Corporate Services)
Officer Declaration of Interest:	Nil
Voting Requirement:	Absolute Majority
Press release to be issued:	Yes Public Notice

BRIEF

For Council to endorse the Annual Financial Report for 2022/23.

ATTACHMENTS

1. Northam Annual Report - DRAFT [7.2.1 - 38 pages]
2. Shire of Northam Annual Financial Report for the period ending 30 June signed [7.2.2 - 50 pages]
3. Audit exit meeting agenda - Shire of Northam [7.2.3 - 1 page]
4. Draft Opinion - Shire of Northam - 30 June 2023 [7.2.4 - 3 pages]
5. Final Management Letter Attachment - Shire of Northam - 30 June 2023 [7.2.5 - 10 pages]
6. Management Representation Letter [7.2.6 - 5 pages]
7. Shire of Northam - Annual Audit Completion Report - 30 June 2023 [7.2.7 - 15 pages]

A. BACKGROUND / DETAILS

The Annual Financial Reports for the year ended 30 June 2023 have been audited and will be signed by the Chief Executive Officer and the Auditor General after acceptance by the Audit and Risk Management Committee.

This was the fifth year the Shire of Northam was audited by the Office of Auditor General (OAG). The process was rigorous and extensive. Dry Kirkness Chartered was appointed by the OAG as the Shire's Auditor.

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.

Priority Action 12.1.1: Provide the community with an annual explanation of the Shire's short and long term financial commitments and overall financial health.

B.2 Financial / Resource Implications

Nil.

B.3 Legislative Compliance

Local Government (Audit) Regulations 1996 Section 9A

CEO to provide documents to Auditor General carrying out financial audit

(1) In this regulation — audit document means — (a) the strategic community plan as defined in the Local Government (Administration) Regulations 1996 regulation 19BA; or (b) the corporate business plan as defined in the Local Government (Administration) Regulations 1996 regulation 19BA; or (c) another plan or informing strategy specified by the Auditor General; or (d) another document specified by the Auditor General.

(2) The CEO must provide a copy of an audit document to the Auditor General within 14 days after the Auditor General requests it for the purposes of a financial audit under Part 7 Division 3A of the Act.

Local Government Act 1995 Section 5.53 Annual Reports;

(1) The local government is to prepare an annual report for each financial year.

(2) The annual report is to contain -

(a) a report from the mayor or president; and

(b) a report from the CEO; and

[(c), (d) deleted]

(e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and

(f) the financial report for the financial year; and

(g) such information as may be prescribed in relation to the payments made to employees; and

(h) the auditor's report for the financial year under section 7.9(1) or 7.12AD(1) for the financial year; and

(ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and

- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including
- (i) the number of complaints recorded in the register of complaints, and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
 - (i) such other information as may be prescribed.

Local Government Act 1995 Section 5.54 Acceptance of Annual Reports;

(1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Local Government Act 1995 Section 5.55 Notice of Annual Reports;

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

B.4 Policy Implications

Nil

B.5 Stakeholder Engagement / Consultation

Subject the 2022/23 Annual Report being endorsed at the Ordinary Council Meeting on 20 December 2023, it is intended that public notice will be placed in the Shire of Northam newsletter by 22 December 2023. Notices will also be placed on our Notice Boards, Facebook and the Shire's website.

B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	N/A	N/A	N/A

Service Interruption	N/A	N/A	N/A
Compliance	The Annual Financial Report is not endorsed prior to 31 December annually.	Insignificant (1) x Possible (3) = Low (3)	Council has a documented process for developing the Annual Financial Report. In accordance with this process the Annual Financial Report is prepared and presented to the Audit and Risk Management Committee and Council by 31 December annually.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

B.7 Natural Environment Considerations

Nil

C. OFFICER'S COMMENT

The table below outlines the reconciliation between the budgeted surplus and the actual surplus as presented in the Financial Report. The adjustments will be carried out as part of the budget review process. The adjustments relate to timing and as such have no net effect on the overall budget.

Surplus Reconciliation 2022/23	
Budgeted Surplus	9,164,256.00
Accrued Revenue	377,023.00
Accrued Liability	-74,376.00
Actual Surplus	9,466,903.00
Unallocated	302,647.00

The Annual Financial Reports will be incorporated into the 2022/23 Annual Report.



Attachments will be made available separately to the agenda.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.267

Moved: Cr M P Ryan

Seconded: Cr H J Appleton

That the Audit and Risk Management Committee, by Absolute Majority, endorses the following recommendations being presented to Council:

- 1. That Council, by Absolute Majority; In accordance with Sections 5.53 and 5.54 of the *Local Government Act 1995*, accepts the Annual Financial Report for the 2022/23 financial year; and**
- 2. That Council, by Absolute Majority in accordance with Section 5.55 of the *Local Government Act 1995*, authorises the Chief Executive Officer to give public notice of the availability of the Annual Report from Friday, 22 December 2023.**

**CARRIED 3/0
BY ABSOLUTE MAJORITY**

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Mr D Delvalle and Mr M van der Merwe provided a summary of the findings outlined in attachments of the report. Discussion was held regarding the information provided, with questions and answers provided throughout the discussion.

Clarification was sought in relation to:

- In regards to the observations made relating to the definitions of residual value and residual life of assets, how have other Shires fared?

Mr M van der Merwe advised that the Shire of Northam is mostly inline with other Shires. All certified valuers will now use the updated definitions, noting that there may be some parts of the organisation that use the previous definitions.

The Observer, President C R Antonio, left the meeting at 5:48pm.

Mr M van der Merwe and Ms D Delvalle left the meeting at 5:50pm.



Shire of Northam
Heritage, Commerce and Lifestyle

SHIRE OF NORTHAM
2022 - 2023
ANNUAL REPORT



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PURPOSE OF THE ANNUAL REPORT

The *Western Australian Local Government Act 1995* requires every local government to produce an Annual Report by 31 December each year.

In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about achievements, challenges and future plans;
- Promotes greater community awareness of the Shire's programs and services which contribute to a high quality of life for residents, visitors, and stakeholders;
- Demonstrates the Shire's performance against the long-term vision of the Strategic Community Plan, and the projects and priorities detailed within the Shire's Corporate Business Plan;
- Provides information about the Shire's organisational performance; and
- Illustrates the Shire's commitment to accountable and transparent government.

bilya river koort heart boodja land

**KAYA,
WANDJOO**
ACKNOWLEDGEMENT
OF COUNTRY

The Shire of Northam would like to acknowledge the Traditional Custodians of the land on which we live, the Ballardong and Whadjuk people of the Nyoongar nation and pay our respects to Elders, past, present, and emerging.

We thank them for the contributions made to life in the Shire of Northam and to this region.

MESSAGE FROM THE PRESIDENT



Kiya Wandju, hello and welcome

to a summary of the Shire of Northam for the past year.

In addition to working with the Northam Shire Council for the past twelve months, we have revisited and updated our Strategic Community and Corporate Business Plans to guide Council for the next 10 years. I believe that our Council has, and continues to, deliver on the best possible outcomes for all residents and ratepayers by continuing to work with a wide range of stakeholders.



OUR PLAN FOR THE FUTURE

The Shire of Northam's Council Plan – Our plan for the future - is an evolving guiding document.

This plan combines details from both our Strategic Community Plan and Corporate Business Plans into one, easy to read, document.

After a revisit and update of the past 12 months, this plan addresses three key areas –

- Where we are now?**
- Where do we want to be?**
- How do we get there?**

What we have done over the past twelve months is to update and report on what we have already done, and take a look at what we need to rethink, and what resources we might need to allocate.

Following our purpose, the Shire of Northam wants to achieve the community's vision and aspirations. We aim to achieve this by:

Advocating and being a voice for our local community on key issues.

Partnering and forming strategic alliances for the best interests of the community.

Assisting with funding for organisations to deliver essential community services.

Facilitating and helping the community and businesses to meet their needs.

Providing a range of services to make sure the needs of the community are met.

Ensuring we comply with legislation, regulations and local laws.

OUR
VISION

The Shire of Northam is a vibrant, growing community that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.

OUR
MISSION

To deliver responsive, sustainable services in a manner that preserves and enhances our environment and lifestyle whilst respecting our heritage and facilitating economic growth.



COUNCILLORS

We are lucky in the Shire of Northam to have a team of dedicated Councillors. I thank every Councillor for their continued commitment to our Shire. I acknowledge and thank retiring Councillors, Rob Tinetti and Dave Galloway for their commitment over their tenures on Council. A special thanks is made to Cr Michael Ryan for the continued support and dedication shown, helping me to fulfil my role as President, and Michael's own role as Deputy President.

CHIEF EXECUTIVE OFFICER

After 10 years of dedicated and exceptional service, Mr Jason Whiteaker has decided to move to another position within Local Government. Some of the achievements set by Council and enacted by Mr Whiteaker over the past 10 years include the construction of Bilya Koort Boodja, construction of the Northam Aquatic Facility, RV friendly parks, and the construction of the Youth Precinct.

STRATEGIC DRIVERS

The Shire of Northam's six key strategic drivers form part of the Council Plan. These drivers identify areas on where to focus our efforts to benefit the Shire. These key drivers continue to be:

- The Agricultural sector
- Transport and logistics
- Government agencies and service sectors
- Location, commutable to and from Perth
- Strong infrastructure connections to Perth and mining centres and
- Continued status as a regional centre.

DEVELOPMENTS

As highlighted in our Council Plan, there are many examples of recent achievements to assist and develop our community. These include the CCTV extension in Wundowie, the provision and upgrade of facilities at Bert Hawke oval, new RV friendly parks at Wundowie and Northam, continued rehabilitation of the Avon River, the construction of a transfer station and tip shop at the Old Quarry Road Waste Management Facility, and continued investment in renewable energy.

EVENTS

The Shire of Northam continues to host and facilitate a variety of cornerstone events. These include over the past 12 months the successful hosting of both the Australian National and FAI 5th Women's World Hot Air Ballooning championships, the 70th annual Northam Motorsport and Bilya Festivals, along with the 50th anniversary event of the Avon Descent, Carols on Fitzgerald, the 50th Country Athletics Championships and the WA Country Swimming Pennants. Annual events within the Shire include the Northam Agricultural Show and the Wundowie Iron Festival.

The Shire of Northam is here to be responsive, deliver sustainable services, and to preserve and enhance our environment and lifestyle, while respecting our heritage and facilitating economic growth. Together, we can all continue so that the Shire of Northam, continues to both grow and flourish.

Cr Chris Antonio
Shire President

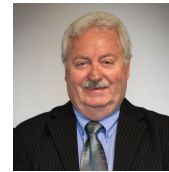
OUR COUNCILLORS



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TOWN WARD
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DEPUTY PRESIDENT
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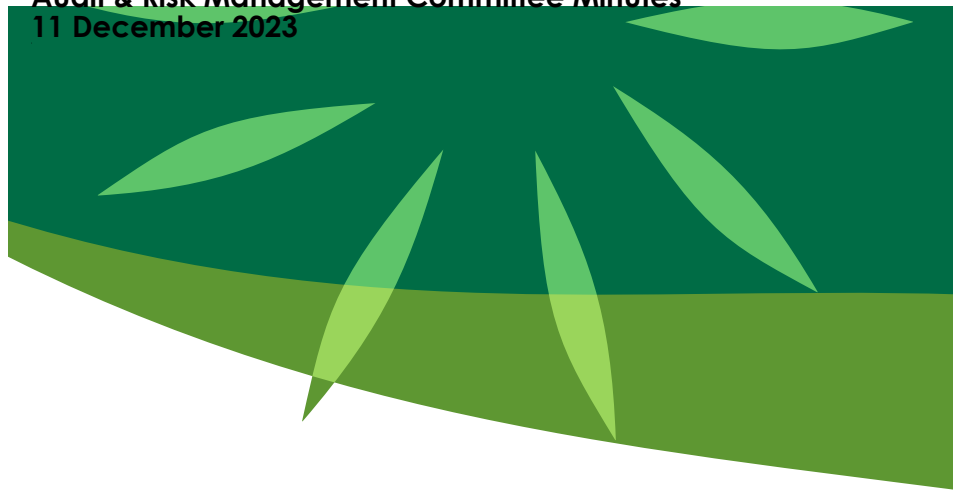
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Audit & Risk Management Committee Minutes

11 December 2023



COMMITTEES, ADVISORY GROUPS AND WORKING GROUPS

	Audit & Risk Management Committee	Chief Executive Officer Review Committee	Community Grants Assessment Committee	Community Safety Committee	Bush Fire Advisory Committee	Local Emergency Management Committee	Wheatbelt Joint Development Assessment Panel	Regional committees representing the Shire of Northam
PRESIDENT Chris Antonio	●	●	●			●	●	●
DEPUTY PRESIDENT Michael Ryan	●	●						
COUNCILLOR Robert Tinetti			●	●		●		
COUNCILLOR Maria Girak					●			
COUNCILLOR Hayden Appleton	●							
COUNCILLOR Des Hughes		●	●					
COUNCILLOR Dave Galloway			●		●			
COUNCILLOR Lisa Biglin			●					
COUNCILLOR Julie Williams		●		●			●	
COUNCILLOR Attila Mencshelyi	●	●	●	●				



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 Term Expires: 2025



OUTGOING MEMBER
COUNCILLOR Paul Curtis
 Resigned: 2022

CEO REPORT 2022 -2023



It is my pleasure to provide this update on the performance of the Shire of Northam in the 2022/23 financial year.

I am pleased to report our solid performance in FY2023, although we have completed the year with a significant number of projects incomplete, which will reflect in a substantial increase in our end of year cash reserves. Unfortunately, there have been a range of factors which have impacted our ability to deliver on our own expectations, these factors have included challenges in securing suitable contractors to undertake works, key staff positions being unfilled for large periods of the year highlighting the pressure in the labour market and cost escalations which resulted in deferring and / or re scoping projects. In saying this the Shire is well positioned to hit FY2024 with momentum which should result in a significant number of projects being completed early in the year.



The Corporate Services team, led by Mr Colin Young, has once again done an outstanding job managing the Council's finances and financial compliance. Council received another clean audit report, while our long-term financial planning is robust and provides a clear direction for the Council.

Our focus around economic development and liveability across the Shire is having a positive impact, with several major developments in the pipeline at either development approval phase or well progressed. Potential developments such as the Infinite Green Energy Hydrogen Plant, which will be one of the first end-to-end green hydrogen production systems in Western Australia, aimed at supplying the domestic transport market, the Procon Developments AvonWest Freight & Logistics Hub which will offer the ability to integrate interstate rail freight networks with the Restricted Access Vehicle (RAV7) road networks for servicing Perth, the eastern states and the Avon and Wheatbelt regions in Western Australia, while the Shire is in the process of facilitating a mineral resources processing plant at the Avon Industrial Park.

These three developments, along with a range of other smaller opportunities are positioning Northam for continued strong performance economically, creating opportunities for our community and bringing new residents to the region.

Our Shire of Northam development services team, led during the year by Mr Chadd Hunt and Mrs Jacky Jurmann (who acted in the leadership role for approximately 6 months), is playing a key role in facilitating our economic growth, providing advice and support to a range of customers from the larger scale opportunities referenced above, the local builders, retailers and residents. A significant focus of our development services team is to facilitate positive development outcomes and encourage good quality developments within the Shire. The development services team, consisting of planning, health, building, environmental, waste management, emergency services and ranger services has performed strongly with average planning approval timeframes of approximately 20 days while building approvals are granted within an average of 15 days – highlighting our commitment to customer service.

The team in Community Services, led for the most part by Ms Jo Metcalf, delivered some outstanding results in 2023, with the highlight being the Ballooning Fiesta which kicked off the week-long ballooning championships, where it is estimated that more than 10,000 people attended. Putting on events of this scale is a significant undertaking, and I am extremely proud of our ability to deliver not only the event, but an event of the highest standard. There is no rest for the team however as their attention has quickly turned to the 2023 World Women's Ballooning Championships, which will see Northam host the event which will be located out of mainland Europe for the first time in its history.



The community services team have a strong focus on providing services, facilities and activities for our community right across the age spectrum, whether they be based out of our library, adult respite care, one of our many recreational facilities, or our aboriginal cultural centre (Bilya Koort Boodja), the team has done an outstanding job during FY2023.

Maintaining our large asset base is undoubtedly a significant challenge, with more than 700kms of road network, 116 buildings, 127 freehold land parcels, and over 40 parks and reserves to maintain. It has been a challenging year for the team which at stages has been led by Mr Scott Patterson, myself, Mr Chadd Hunt and most recently Mr Paul Devcic. While the lack of continuity in leadership has impacted our ability to deliver our works programs to the extent that we would have expected in FY2023, the team on that ground have done an outstanding job in delivering on expectations. Our parks, reserves and gardens are generally being presented to a high standard and often exceeding our agreed service levels, while we completed 100% of our internal gravel road maintenance program.

Finally, to my team, who have done an outstanding role in the people & culture and governance areas. We continue to evolve as an organisation and partnered with our staff to identify opportunities for areas of improvement around communications, benefits and working conditions. Additionally, the work we are doing in the governance area around internal auditing and management of leases has been outstanding and has the Shire in a strong place from a governance perspective.

This is my final year with the Shire of Northam, having resigned in late June to take up another role in local government. I have very much enjoyed my time at the Shire of Northam and would like to take the opportunity to thank the Council and all the staff I have worked with over the past ten years and wish them all the very best for the future.

Jason Whiteaker
Chief Executive Officer

EXECUTIVE STAFF



CHIEF EXECUTIVE OFFICER
Jason Whiteaker

DUTIES

- CEO Administrative Functions
- Governance & Council Support
- Human Resources
- Work, Health & Safety



**EXECUTIVE MANAGER
COMMUNITY SERVICES**
Jo Metcalf

- Recreation & Youth Services
- Activation & Communication
- Community Development & Tourism
- Library & Aged Care Services



**EXECUTIVE MANAGER
CORPORATE SERVICES**
Colin Young

- Finance
- Procurement
- Light Fleet management
- Customer Service
- ICT



**EXECUTIVE MANAGER
DEVELOPMENT SERVICES**
Chadd Hunt

- Ranger Services
- Environment & Waste
- Health & Building
 - Planning
- Emergency Management
- Bushfire Mitigation



**EXECUTIVE MANAGER
ENGINEERING SERVICES**
Paul Devcic

- Project Development
 - Parks, Gardens & Streetscapes
 - Engineering & Civil Design
- Asset Management



VISION FOR THE FUTURE

The Shire of Northam is a vibrant growing community that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.

In order to achieve this Vision, the Council will commit to display:

LEADERSHIP	To recognise the community's expectations to provide leadership
RESPECT	To respect differences in age, culture, values and opinions.
TEAMWORK	To achieve through the efforts of the team.
EXCELLENCE	To aspire to one standard.
OPENNESS	To engender trust through openness.



OUR MISSION

In order to achieve our Vision the Shire of Northam has established an organisational Mission commitment, which is:

To deliver responsive, sustainable services in a manner that preserves and enhances our environment and lifestyle whilst respecting our heritage and facilitating economic growth.

In order to achieve this Mission, the organisation will commit to being:

SAFE	Focus on importance of safety in the organisation.
OPEN	Engage in two-way communication, with transparency and trust.
ACCOUNTABLE	Know what you are responsible for, take ownership and deliver accordingly.
RESPECTFUL	Demonstrate respect for other's skills, knowledge and differing value systems.

THEME AREA PEOPLE



30 Community events

6 Shire run events



ECONOMIC GROWTH

Significant year for the Shire of Northam with a complete calendar of events post Covid 19 restrictions, including two Ballooning events - a national and World competition in the same calendar year.

JULY	
NAIDOC Week Celebration	Shire hosted & assisted
AUGUST	
Northam Bilya Festival Street Parade	Shire Event
Avon Descent	
SEPTEMBER	
AG Show	Shire assisted
Wundowie Iron Festival	Shire supported
OCTOBER	
Hockey WA - Indoor State Classic	Shire hosted & assisted
NACHA Heritage Festival	Shire assisted
Turn Up In Blue Day	
DECEMBER	
Carols On Fitzgerald	Shire assisted
JANUARY	
Australia Day & Citizen of the Year Awards	Shire Event
Little Athletics Country Championships	Shire hosted
Swimming Country Pennants 2023	Shire hosted
FEBRUARY	
Northam Motor Sport Festival	Shire Event
Anzac Day	Shire assisted
APRIL	
Northam Vintage Swap Meet	Shire hosted
MAY	
Northam Elevate Festival	Shire Event
National Hot Air Ballooning Championship	Shire assisted
Twilight Market Series	Shire Event
Star gazing Event	Shire Event



CASE STUDY

2023 NATIONAL BALLOONING CHAMPIONSHIP

The Shire of Northam welcomed back ballooning competitions to the region following COVID restrictions. In 2023 Northam hosted not one but two major ballooning competitions in the calendar year – the National Ballooning Championship and the Women's World Hot Air Ballooning Championship.

To celebrate the start of the 2023 National Hot Air Balloon Championship on Saturday 6 May the Shire held Elevate Festival, a family friendly extravaganza culminating in the now famous "balloon glow".

This free event was held on Henry Street Oval adjoining the Northam Recreation Centre. Tickets were issued online and saw a staggering 10,000 registrations for the event.

The festival included a vibrant stage with local musicians performing and our MC the "Famous" Sharon providing entertainment and information throughout the evening. Carnival rides and sideshow games were enjoyed by families, as was the roaming entertainment, especially the stilt walkers in all their balloon costume glory. The oval was a sea of colour with local businesses provided balloon themed interactive stalls for children, the little creatures tent and face painting by some fluttering fairies. A huge selection of food and beverage options were on offer provided by Perth vendors and many local businesses, including community groups.

Pilots from across Australia came to Northam to compete in the week-long competition and a selection of 10 teams came together to provide a magnificent balloon glow as the evening finale. Inclement weather had threatened to derail the day and the glow, but luckily the conditions settled, providing everyone with a delightful display set to the backdrop of live music from local band Refractory Road. This was the feature performance of the evening and gave everyone who attended a truly memorable experience they will never forget.

The Championship ran from 8 to 13 May and delivered an influx of people coming to watch the competition. Northam provided additional activations to ensure visitors had a wonderful experience whilst in town, including the Twilight Market Series. The markets activated different locations within the Shire, in the lead up to and during competition including Wundowie, Bakers Hill and Northam town centre.

Northam also hosted an enchanting evening of Star Gazing at Bernard Park. As a recognised Astro-Tourism dark skies town Northam benefits from some of the clearest skies within proximity to Perth, Northam is a great place to enjoy a tour of the sky from our Astro Tourism specialists using laser pointers and a selection of impressive telescopes. Being piloted by our professional guides, we were provided with precision visuals of specific constellations and galaxies, it was a wonderful evening to learn about our universe.

THEME AREA: PEOPLE

THEME AREA: PEOPLE



SHIRE OF NORTHAM LIBRARY SERVICE

KILLARA SERVICE REPORT



364
Transport Trips



10582
Brokerage Hours



17560
Respite Hours



1685
Community
Service Hours

DISABILITY ACCESS & INCLUSION

Shire of Northam is committed to facilitating the inclusion of people with disability through the improvement of access to its information, services, events and facilities.

In working towards this goal the Shire of Northam has worked progressively towards achieving the desired results in the key outcomes. Our success includes:

- The availability of a Shire of Northam Disability Access & Inclusion Plan 2018 – 2023 on the Shire’s website;
- Confirmation that our facilities meet the required standards;
- Improvement in Shire of Northam staff understanding in assisting the public to obtain information in other accessible formats; and
- Ongoing community consultation with key stakeholders to guide access and inclusion improvements.

Patrons to the library could borrow two extra types of items this year, as we added in a seed library and a bunting collection for all members to use. Both have proved very popular. Patrons who came to the Seed Library launch also had the opportunity to take home some starter seedlings, grown from donated seed. To the end of the financial year, 44 bunting kits have been borrowed, and 240 seed packets have been taken. Our seeds are replenished by donations from keen growers, with the occasional purchase of heritage varieties to fill a gap. The bunting has also come from members of the community, who recycle fabric in the creation.

We had approximately 1,092 patrons signed in to use the computer, and the free Wi-Fi also gets used every day. We answered over 4,882 reference enquiries.

We ran 198 events, with 1,402 attendees. As well as the Seed Library launch, events include listening to Nilesch Makwana, learning how to digitally organise our photographs, meditation with a Buddhist monk and our regular sessions for 0 – 5 years olds, Lego Club and school holiday events.

The Swan Room and mezzanine floor were booked for 150 hours by community groups looking for a place to meet.



2169

patrons borrowed items
from both libraries

63

housebounds used
our delivery service

30,859

items were issued

17,600

visits to the libraries

RECREATION AND YOUTH SERVICES



YOUTH SERVICES

The Shire of Northam is committed to engaging with young people and providing youth activities and programs. The Northam Recreation Centre is centrally located and is seen as a hub for young people and has been utilised to hold youth diversionary programs including ball sports such as basketball, netball and volleyball. In addition, gaming consoles were setup to provide for young people to engage and play a variety of games. This was made available free of charge to those aged between 10 – 17 years from 10am – 3pm Monday – Friday during school holidays. It was well received with many young people joining activities and finding it a safe space.

With the collaboration of external agencies such as PCYC activities were offered that included skate park competitions, cooking classes, cultural information sessions, and a variety of water activities.

Shire staff worked closely with local high schools to engage with young people to identify interests of youth aged 12 – 17 years for the type of activities to hold during holiday programs through an online survey. There were over 45 free holiday activities and programs offered including arts, Lego, esports, minigolf, pool parties, build a bike, fitness classes making kites and more. The survey results were presented at the Youth Engagement working group and provided to agencies within the Shire.

RECREATION & AQUATIC FACILITY SERVICES

Northam Recreation Centre

The Recreation Centre held annual football, basketball, netball and indoor hockey competitions. Discussions with sporting associations for basketball and netball highlighted an increase in membership numbers and participation this year. In addition, Netball WA held their regional junior carnival with 35 teams participating. The hospitality and meeting rooms were well utilised with 623 bookings received through out the year. In consultation with the Northam basketball association the 8 x outdoor court basketball backboards and rings were replaced.

Collaboration occurred with local businesses to construct and deliver 2 x portable grandstands. These are now available for use at sporting or community events and general use for spectator seating.



Northam Aquatic Facility

The facility operated from mid-September to mid-May and this was the first year since construction of the facility where services were not interrupted resulting in an increase in participation of 13%, with 40,802 attendances. In addition, 6572 patrons purchased waterslide access sessions and 1282 attended aqua aerobic classes.

The facility held the RLSSWA River Ready Program during term 4 of 2022. This program was free and available to children 8 to 17 years of age. The program taught children how to safely enjoy and enter water bodies including rivers and lakes. They also learnt how to do throw rescues, reach rescues, practise survival strokes and recognise different safety signals.

Northam Aquatic Facility statistics	Total Attendance	Waterslides	Aquarobics attendance	Season Passes
	40,802	6,572	1,282	635

Wundowie Swimming Pool

This season the Shire operated services internally commencing on 29 October 2022 and closing 9 April 2023. The Wundowie swimming club re-established regular training sessions and the annual Christmas tree and Australia Day events were well patronised on the day.

Total Attendance	Season Passes
5722	68

SPORTING & CLUB DEVELOPMENT

The Shire collaborated with 'Break Point Tennis' to provide several tennis development clinics for local youth. In addition, the Shire formalised an agreement with the Wundowie Progress Association to facilitate local bookings and access of the tennis facilities in Wundowie. The Shire also collaborated with Tee-Ball WA and Baseball WA to host come and try events that were well participated with the intent to increase the interest and participation to formalise teams and play competitive tee-ball.

With support from the Shire, the Wundowie swimming club were able to re-establish and offer regular training sessions throughout the week.

The Shire worked with the local Bakers Hill Progress Association to collaborate on delivering recreational infrastructure. It was agreed that a basic level skate park for the youth at Bakers Hill recreation precinct would deliver the best outcome. An area has been cleared with construction to begin in the next financial year.

The use of the Shire of Northam Clubs social media supported local clubs build stronger relationships and increased participation. This was a new initiative to reach and communicate with local sporting community and has over 1,200 members.

The Shire was successful in securing grant funding to build storage facilities at the Hockey turf and Bert Hawke oval. The Hockey facility includes a two-storey shed with dugouts on either side. The Bert Hawke oval storage shed was located next to the clubroom and was constructed to provide separate storage areas for cricket and soccer. Additionally, a 1.8 m high chainmesh perimeter fence was installed around the Hockey facilities and access to water services was provided. This supported the user groups to hold events, secure hockey infrastructure in a safe manner and protect assets whilst supporting local user group sustainable objectives.

The installation of soccer goals at the start of the season at Bert Hawke oval was completed for local soccer enthusiastic to train and play in the local competition this has enabled the local club to grow and become more sustainable.

Planning and design works were undertaken for Henry St oval to provide a scoreboard, goal barrier nets and entry statement. The intent is to delivery these projects in 2023/24.

All 2022/23 Summer & winter MOU agreements with local sporting clubs were reviewed and completed.

The Shire was successful in securing \$25,000 from the CSRFF small grants program for multi-use storage facilities at Hockey/Bert Hawke oval and was successful in securing \$25,000 for the Mt Ommanney trail development process for Stages 4 and 5. The Shire was also successful in securing \$97,000 from the CSRFF small grants program for the Northam Bike hub project which has been extended to be delivered in 2023/24. The Shire was not successful in the forward planning grant application for Bert Hawke tower lighting however this will be submitted again in next year's round.

SPORTING EVENTS

Swimming WA Country Pennants

On 4 and 5 March 2023, the Northam Aquatic Facility held the annual WA Country Swimming Pennants. Over 500 swimmers from 30 country swimming clubs across WA attended this fantastic event, competing for the top spot. The event had an estimated 2000 people attend and this was the first time in 10 years the event was held in Northam.

Athletic West Championships

From 13 to 15 January 2023, the Northam Recreation Centre held WA Country Athletic Championships located on Henry Street and Jubilee ovals. Country athletic clubs from across WA including Albany and Collie came together to compete in the track and field events. This provided top competitors the opportunity to qualify for the State Athletic Championships. The event was a great turnout with more than 350 juniors competing for gold.

Hockey indoor tournament - Aus Sport Regional Event funding

On 8 and 9 October 2022, the WA Indoor Hockey Classic was proudly supported by the Shire of Northam and held at our Recreation Centre. This event featured four men's teams and four women's teams including the best indoor hockey players in the state! The event was staged like the well-known 'Ric Charlesworth Classic' and was supported by SportAus events funding program via a grant of \$44,000.

COMMUNITY SUPPORT/ COMMUNITY GRANTS



<p>Quick Response Grants</p> <p>Local not for profit community groups and sporting clubs could apply for small grants of up to \$5,000 anytime throughout the year.</p>	<p>20 applications received</p> <p>15 projects supported</p> <p>\$19,700 of funds awarded.</p>
<p>Community Development Grants</p> <p>Local not for profit community groups & sporting clubs could apply for larger, strategic projects valued between \$5,000 - \$20,000. Applications opened in September and closed in October.</p>	<p>4 applications received</p> <p>4 projects supported</p> <p>\$51,000 of funds awarded.</p>
<p>Progress Association Annual Allocations</p> <p>All community progress associations were invited to apply for an allocation of Council funds for community projects in 2022/2023.</p>	<p>Applications were received from Bakers Hill, Wundowie & Spencers Brook</p> <p>5 community projects were supported</p> <p>\$27,991 of funds awarded.</p>

ANNUAL COMMUNITY EVENT ALLOCATIONS

The Shire of Northam issued \$72,600 in sponsorships through the Community Events Allocation a select group of community organisations with a long history of delivering successful events and commemorations within the Shire of Northam. These include,

- Wundowie Progress Association for the Wundowie Iron Festival,
- Bridgeley Church of Christ & the Northam Chamber of Commerce for Carols on Fitzgerald,
- Avon Valley Arts Society for the Northam Art Prize,
- Northam Agricultural Society for the Northam Farmers Show,
- Northam RSL for the ANZAC Day Dawn Service and March,
- Northam Theatre Group for theatre productions at the Link Theatre,
- Avon Valley Vintage Vehicle Association for the Vintage Vehicle Swap Meet,
- Vintage Sports Car Club of WA for the Northam Motorsport Festival (Flying 50).

EDUCATIONAL PRIZES & DONATIONS

Every school within the Shire of Northam, and the Northam campus of Central Regional Tafe is given a donation towards their end of year educational prizes. This year the donations were expanded to also include a one off donation to school P&C and P&F groups.

COMMUNITY SAFETY & CRIME PREVENTION



The Shire of Northam Community Safety Committee works proactively with the local Police Force, stakeholders from a range of government departments and service providers, and local advisory groups and community representatives.

This year the Committee produced merchandise to help inform the community, such as large magnets with emergency service contact information, Aboriginal & Torres Strait Islander support information, seniors support information and key rings with miniature torches for night lights and messages such as have you locked your vehicle, have you locked your house. These were distributed to people at the Turn Up in Blue Day in Northam, the Northam Farmers Show & the Wundowie Iron Festival.

Youth engagement was a priority. In December the Committee were able to support a camp for at risk and disengaged youth coordinated by the Youth Engagement Working Group & Moorditj Youth. The on country camp which was held at Boshack in Bolgart comprised of cultural activities, mentoring and leadership. Feedback was overwhelmingly positive, with a lot of learning and lot of enjoyment had by all.

THEME AREA: PLANET



UNDER THE PLANET THEME THE FOLLOWING ACTIONS WERE DELIVERED:

- Following extensive research and community engagement, the Public Health Plan 2023 – 2028 was developed, with the plan providing a framework to address Public Health needs to enhance the health and wellbeing of residents within the Shire of Northam.
- Routine inspections of food premises were conducted as required, 110 businesses within the Shire were assessed according to their food risk ratings. Promotion and provision of materials were distributed to all medium and high-risk businesses deemed to fall under the new requirements of the *Food Standards Code 3.2.2A*, which includes mandatory training of food handling supervisors. The new requirements come into effect on 8 December 2023. Food Safety Programs such as “FoodSafe” on the Shire of Northam’s website continue to be a requirement for all stallholders and new food businesses.
- The growth in popularity of mobile food businesses has continued, with three new coffee vans, a soft serve ice cream van and two new medium risk food vendors registered in the Shire. These mobile food vendors are required to meet the requirement of the *Food Act 2008* as well as Northam’s Local Laws and Policies, such as *H6.9 – Trading on Thoroughfares & Public Places*.

- Guidance was provided to new food business premises, and those looking to make modifications to their existing food business premises. Businesses were advised on how to best meet the requirements of the *Food Act 2008* and the *FSANZ Food Standards Code* with reference to the *Australian Standard 4674-2004: Construction and fit out of food premises*.
- The monitoring and control of water within the Shire was conducted with routine sampling to test the water quality of the river, public swimming pools and the recycled water irrigation system. This year’s Avon River sampling results have been consistent with previous years. The Avon River is safe for use for secondary recreational activities (kayaking, wading, and canoeing) as per Department of Health guidelines. Potentially dangerous amoeba organisms have been detected on occasion in the Avon River during the warmer months of the year. To alert the public of the possible dangers associated with amoeba organisms signs have been erected along the river’s edge in six separate locations.
- Recycled water irrigation results have improved since last year, with various modifications being implemented by the Shire to ensure that the recycled water quality meets the requirements for use as determined by the Department of Health. Further improvements are expected with the installation of additional infrastructure at the Clarke Street Dam.
- Public Events were assessed to ensure public safety and compliance, with approvals, attendance and inspections conducted by Environmental Health Officers as required.
- Several Public Buildings were inspected, with changes being made to ensure compliance with the *Health (Public Buildings) Regulations 1992*, ensuring that buildings used for Public Events were safe for use by the public.
- The inspection of hairdressing salons as well as skin penetration/body piercing parlours was conducted as required.
- Neglected and dilapidated houses were inspected with work orders and condemnation notices being issued to the owners of the premises as required.





WASTE

The Shire of Northam operates two Waste Management Facilities; Old Quarry Road Waste Management Facility in Northam, which is our main facility and accepts both solid and liquid wastes; and Inkpen Road Waste Management Facility in Copley, which is a small landfill serving the communities of Bakers Hill and Wundowie.

Both facilities are managed by Avon Waste on behalf of the Shire and who are also responsible for the kerbside collection throughout the Shire.

In August 2022, the Shire officially opened its Transfer Station at the Old Quarry Waste Management Facility. The diversion from Landfill and additional recycling systems have been a great success in working towards Zero Waste to Landfill.

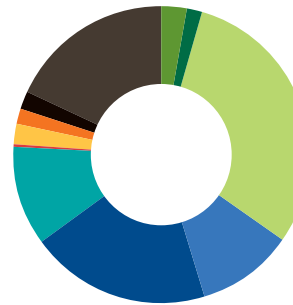
The community requested and named Northam "Re-Store" has turned over \$9,468 with a range of furniture, bric a brac and outdoor items.

In April 2023, the Shire introduced a new weighbridge finance management system for both facilities that ensured more accurate recording of waste, recycling rates and landfill diversion. This system will help set baselines for improvement into the future.

In 2024, the Shire hopes to conduct community workshops to increase awareness and education throughout its communities and reduce the current contamination rate.

STATISTICS

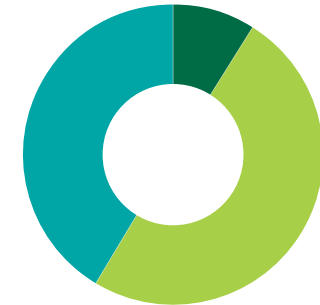
KERBSIDE RECYCLING



Product tonnes

Aluminium Cans	17.81
Steel Cans	11.45
Glass	192.11
Paper	68.07
Newspaper	124.05
Cardboard	69.97
Liquid Paperboard	1.91
Plastics	14.63
Plastic (PET)	10.18
Plastic (HDPE)	12.72
Contaminants	113.23

FACILITY TOTALS



Product tonnes

Recycled	3,256.64
Landfill	18,018.78
Cleanfill	14,982.87



Landfill Totals
by Source:
Regional Shires
4983.77 tonnes



EMERGENCY SERVICES

The Shire of Northam has 10 volunteer bushfire brigades and 1 SES Unit, with over 400 dedicated volunteers.

Numbers remain stable however applications and retention remain an ongoing challenge which is a consistent trend seen throughout the state.

In 2022/23 our volunteers attended about 250 incidents including, machinery, agricultural, bushland, and structure fires, and various inclement weather events.

Our teams received and supported neighbouring local governments with large scale bushfires, land searches and weather events.

The December period saw a sudden spike in incidents of bushfire attributed to arson, including 7 in a single day. This matter was dealt with by the Police and Justice system.

The introduction of the new Australian Fire Danger Rating System prior to the high threat period presented new and in part unforeseen challenges witnessed throughout other areas of the state.

Work has continued to minimise the impact of Harvest Vehicle and Hot Works bans have on the community through the identification and implementation of a more dynamic community messaging system which will be in place for the 2023 high threat period.

Capital works have commenced at the Inkpen Volunteer Fire Station with the construction of a much-needed extension, in addition to the successful completion of works at the Northam Emergency Services Complex.

Alex Espy the Shire's new Community Emergency Services Manager commenced duty in November 2022 hitting the ground running.

The Community Emergency Services Manager has spent the later part of the year working closely with the leadership team and in particular the Chief Bush Fire Control Officer on major projects such as the review of the Bush Fire Manual governance instrument used for brigade administration.

The Shire of Northam Emergency Services Volunteers remain committed to community engagement with attendances at multiple community events and festivals.



21 bushfire mitigation projects throughout the Shire

BUSHFIRE MITIGATION ACTIVITIES

The Shire of Northam in collaboration with the Department of Fire and Emergency Services (DFES) have funded 21 bushfire mitigation projects throughout the Shire in the 2022/23 period to the value of \$489,500. Through this arrangement the Shire has secured funding up to \$176,915 for future bushfire mitigation projects into 2023/24 period.



Volunteers attended about 250 incidents

ENVIRONMENTAL SUSTAINABILITY

During the 2022/23 financial year environmental sustainability focused on providing advice and assistance with stakeholder advisory groups, engineering road widening projects, fire mitigation works, targeted weed spraying programs, development and rezoning applications, private and community native planting, environmental mapping and the production of reports for illegal clearing complaints for submission to the Department of Water and Environmental Regulation.



10,000
native tube stock
plants supplied



991,568 kWh
of renewable energy

As focus moves towards addressing climate change and reducing Shire emissions, the Shire continues to be involved with the nationally driven Cities Power Partnership Program identifying initiatives towards reducing operational impacts on the environment. A climate change declaration was adopted providing an overarching document summarising the pathways and actions that will be taken in developing a climate change adaptation and mitigation strategy. This is currently being developed and will outline the Shire's position in relation to the carbon footprint and plan to achieve environmental objectives in line with state and federal targets.

The capture and monitoring of emissions associated with Shire operations has been further improved with the introduction of a new waste management system that will provide accurate and consistent data capturing the waste streams that enter the landfill facilities. This provides the ability to separate the waste streams and identify the recycled components, waste from other local governments and the volumes that are put into the landfill.

The Shire now has the ability to capture the landfill, fuel and gas consumption in addition to the utility data and monitor Shire operations through a centralised web-based platform. This platform provides the analytical tools to closely monitor the performance of individual assets, identify areas for improvements, pinpoint potential water leaks, monitor tariff costs for power and analyse the effectiveness of energy efficiency installations and initiatives. This information is crucial for establishing a carbon footprint baseline so that the Shire can work towards reducing its net carbon emissions in addition to analysing trends over time.

The Shire is in the second year of the Power Purchase Agreement (PPA) initiative lead by WALGA and is sourcing 50% of its electrical consumption for contestable sites from renewable energy sources. This has accounted for 991,568 kWh of renewable energy. Other energy efficiency initiatives including the installation of solar PV on buildings, solar water heating, the retrofitting of LED lights in Shire buildings and the use of thermal blankets at the aquatic centres have also contributed to reducing the overall energy consumption of the Shire with a 6.16% reduction from the previous year.

10,000 native tube stock plants were supplied for the 'Tree Subsidy Program' and the 'Native Plant Giveaway' which have become popular events with resident participation growing annually. The two programs provided over 50 locally occurring native species and included trees, shrubs, ground covers and reeds to accommodate the different soil types and conditions across the local government area. Over 2,000 biodegradable tree guards and tree cocoons were sold to residents wanting to further protect tube stock to be planted. Rehabilitation efforts focused on infill planting with 1000 native tubes plants planted by AVES from Enright Park down to Burlong pool.

Targeted spraying programs were completed throughout the Shire addressing outbreaks of watsonia, bridal creeper, African box thorn and other exotic weeds. Spot spraying programs were conducted intermittently around the town pool area of the Avon River to remove invading weed species and competition for the natives establishing.

Future planning for the following year has begun and will include the rehabilitation of the northern island in the Town Pool area of the Avon River and the native feature planting to occur adjacent to the new Northam RV park situated behind the old swimming pool.

THEME AREA: PLACE

THEME AREA PLACE



LOCAL PLANNING STRATEGY & SCHEME REVIEW

The draft amended Local Planning Strategy has been adopted by Council and has received certification from the Western Australian Planning Commission for advertising purposes.

An advertising strategy is currently being developed and will be finalised in the near future enabling community consultation to commence.

The amended Strategy will provide the strategic direction for the development of the Shire and amendment of the local planning scheme to provide greater flexibility to facilitate sustainable development.

SCHEME AMENDMENTS

Local planning scheme amendments 16 and 18 were gazetted during this period, which rezoned a portion of the Avon Industrial Park to facilitate the CBH development and to re-code a property in Byfield Street to enable higher density residential development.

Amendment 17 relating to the Avon Logistics Hub adjacent to the roadhouse in Northam has progressed to advertising and will be finalised in the next reporting period enabling the development to proceed.

AVONVALE URBAN RENEWAL AREA

Research and development of the strategy for the renewal area has also commenced and will provide strategic direction for redevelopment of the area to provide quantity and diversity of housing and improve liveability.

BUILT HERITAGE

A grant from the Heritage Council of WA has enabled the Shire to review of the Local Heritage Survey and develop a historical overview, which will be finalised during 2023.



STATUTORY PLANNING

Development Applications

A total of 110 development applications were determined by the Shire of Northam to the value of \$17,649,151 during the 2022/23 financial year compared to 137 to the value of \$38,607,507 during the 2021/22 financial year and 150 to the value of \$21,611,791 during the 2020/21 financial year.

The growth areas continued to be in the western portion of the Shire in rural living areas of Wundowie and Bakers Hill with infill medium density development in the Northam townsite continuing to increase.

Of these, 102 applications were determined by staff under delegated authority from Council. The average timeframe for determining development applications in this period was 19 days (15 days – delegation; and 51 days – Council).

During this period, major developments included upgrading of facilities at Linley Valley Pork and installation of bulkheads at CBH's new site in the Avon Industrial Park.

SUBDIVISION

During 2022/23, 14 subdivision referrals were received from the Western Australian Planning Commission and responded with 5 subdivision clearances being issued.

Subdivision activity has been spread throughout the Shire, including an increase in residential infill and light industrial development in the Northam townsite, with this trend expecting to continue.

DEVELOPMENT COMPLIANCE

Development compliance formed an important part of statutory planning activities in 2022/23, with 130 swimming pool barriers being inspected, a number of unauthorised buildings and land uses being investigated, audits of extractive industries, and following up non-compliances with conditions of development and building approval.

HOUSING STRATEGY

The Shire is proactive and focused on attracting investment to drive new residential development within the Shire. As part of the Shire's aim to ensure the community has access to safe and diverse housing options, the Shire developed a Housing Strategy which involved reviewing a variety of options, including private and government investment, to increase the availability of rental dwellings to cater for the growing demand for employee housing associated with public administration and private sector workforce.

DEVELOPMENT OF EASTLINK (PERTH-ADELAIDE NATIONAL HIGHWAY)

During 2022/23 the Shire continued to advocate for the continued development of the Eastlink (Perth-Adelaide National Hwy). This has included continuing to identify and plan for the new route in the Shire's Local Planning Strategy.



ENGINEERING SERVICES

Engineering Services is responsible for the construction and maintenance of all Shire owned roads, verges, footpaths, drainage structures, parks, public open spaces, reserves, bridges, parking facilities, and buildings. The portfolio also includes fleet management and cemetery and airport maintenance.

Works programmed and completed align with Council endorsed asset management plans, policies and long-term programs, which encompass the whole of life principles and sustainability strategies for transport, parks and gardens and buildings.



ROADWORKS

The Shire of Northam is responsible for the following:

- Road maintenance
- Culvert and drainage pipe cleaning
- Road signs and guideposts
- Footpaths
- Traffic Management
- Storm events clean up
- Ad-hoc duties to assist with Events.

The following Capital Road projects were completed in the 2022/23 financial year:

Reconstruction / Widening	Spencers Brook Road, Robinson Street, Northam Charles Street, Northam Wellington Street, Northam
Resurfacing	Croke Street, Northam Forward Street, Northam Cox Street, Northam Tamma Road, Bakers Hill Parks, Playgrounds & Streetscapes

The focus of the year was improvement of Parks facilities to better cater for the needs of residents/ ratepayers and stakeholders. This included some minor capital improvements to several parks within the Shire.

These facilities have been utilised by various public groups and events that showcased what Shire of Northam has to offer. Events utilising Parks infrastructure included, but not limited to:

- Bilya Festival
- Northam Agricultural Show
- Wundowie Iron Festival
- Various sporting clubs
- Various Community Groups
- School sporting Events.

The Shire continues to work on redevelopment of the Riverbank and the CBD. Four Landscapes Studio has been commissioned to assist in development of a Streetscape Concept plan for the CBD.

The following Capital projects were completed in the 2022/23 Financial year:

- Northam overnight RV park
- Shade structures erected at Bakers Hill Oval
- Art Installation at Beavis Place Public Open Space
- Mulching of George Nuich Park
- Improvements to Dr Dunlop Park including replacement of playground stone barriers, installation of a park bench and 2 park seats.

BUILDING WORKS

Throughout the Shire there were numerous improvements on general building maintenance and capital projects in 2022/23.

The following projects were completed within the building portfolio of the Shire:

- Clackline Hall Lighting upgrade
- Morby Cottage Deck oiling
- Air Conditioner installed at the Northam Pound
- LED lights installed at Killara Cottages
- Painting of the Wundowie Oval Changerooms
- Fencing repairs and path lighting at the Northam Recreation Centre.



RANGER SERVICES

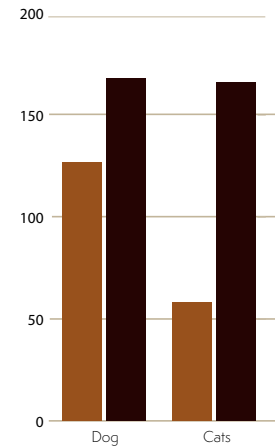
Ranger Services has had a busy year with increasing requests for services in most areas of responsibility, which primarily encourages and enforces compliance of Local and State Laws in respect to pets, livestock; parking, off-road vehicles, abandoned vehicles; fire hazard reduction; wildlife care and removal referrals; littering; illegal camping and caring for the Northam white swan colony.

A total of 138 infringements were issued in the 2021/22 financial year in comparison to a total of 409 in the 2022/23 financial year.

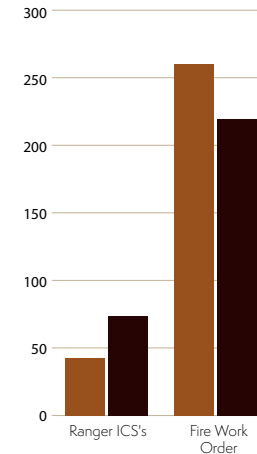
There was an increase in the issuing of fire infringements and work orders, which could be attributed to the increase in growth in our rural living areas and lack of knowledge of fire safety in rural areas. Early warning notices prior to the commencement of the fire season to those properties where previous non-compliances had been detected.



IMPOUNDED ANIMALS



CAUTIONS



● 2021/22 ● 2022/23

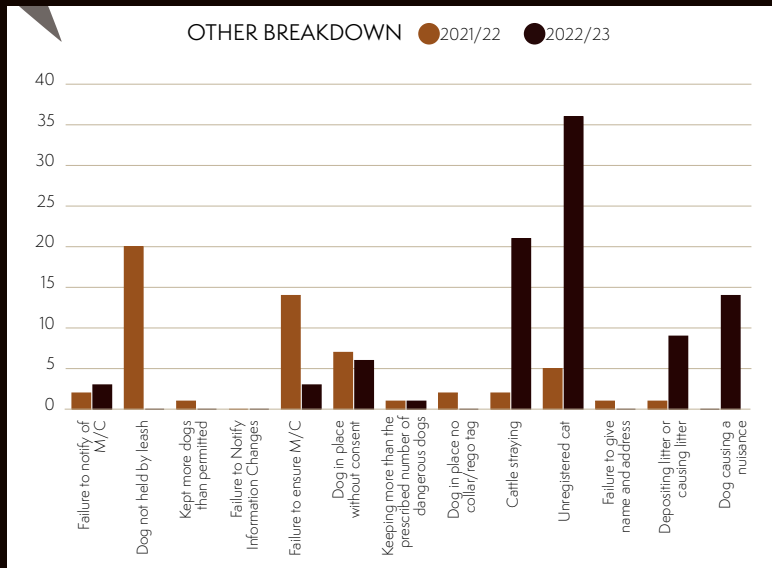
Dog attack investigations decreased slightly in the 2022/23 period with 40 reports when compared to 53 in the 2021/22 period, which can be attributed to media messaging, information sessions and public awareness programs that have been implemented throughout the period.

Unfortunately, impounding of stray, unregistered, surrendered and wandering dogs has increased in this period with 168, compared to 127 in 2021/22. The increase could be attributed to the economic stress in the community.

There has also been an increase in cats impounded in this period, with 166 impounded compared to 58 in the previous period, which could also be related to economic stress and lack of desexing, which is particularly relevant in this period where it was found that some cats had 2 breeding seasons that was previously unheard.

Intense focus has been directed into community education to encourage compliance with local and state legislation. Inter-agency cooperation, connecting with communities, schools and collaborating with external government and non-government organisations are important strategies.

A range of information sheets and regular compliance information updates are also provided. These are distributed via the Shire's internal media and communications channels, posters on community notice boards, local media and advertising whenever appropriate. Our outgoing customer correspondence is supported by a range of information sheets/brochures.



Free Shire of Northam dog leads are given away to encourage 'Dog-on-a-Leash in Public Places' compliance.

Management of the White Swan Colony continues with the arrival of 4 baby cygnets in 2022. Sadly, one cygnet did not survive long after birth and was somewhat smaller than the others. Another cygnet was attacked by a dog and was unable to be saved after a very concerted attempt by the Wildlife Hospital in Bibra Lake. Currently the two remaining cygnets are in good health awaiting to be caught and DNA sexed.

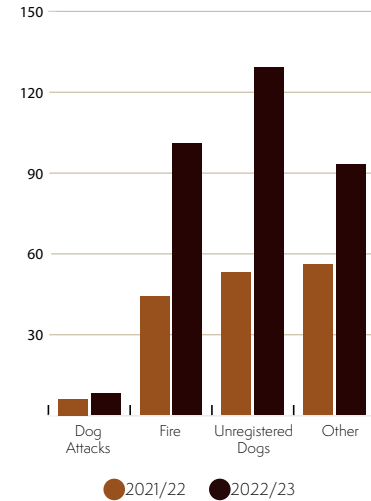
This year saw the forming of the Avon Swan Guardians group, who have teamed up with the Northam Men's Shed, local schools and produced four swan feeder boxes for instalment around the river. They also keep a watchful eye on our white swan colony.

Approaches again have been made to government officials requesting assistance in increasing our swan gene pool for further breeding.

Corella management continues to be challenging, however there is to be a scoping project that will enable us to implement "best practise" for best success. This is now with the Wheatbelt Natural Resource Management to coordinate the responses by Local Government.

Regular targeted parking patrols are conducted as per the Parking and Parking Facilities Local Law 2008. Problem areas are identified, with cautions distributed in the first instance followed by infringements if warning cautions are not complied with. Particular attention around our school areas this past year have resulted in parents and carers parking in safer locations.

INFRINGEMENTS



THEME AREA PROSPERITY



THEME AREA: PROSPERITY

NORTHAM VISITORS CENTRE

The National Ballooning Championships and Elevate Festival held in May 2023 drew large numbers of visitors into Northam. The number of people seeking tourist information from the Northam Visitors Centre was up significantly from the previous year.

This year the Visitors Centre went out to the people, with Tourism Officers holding a Visit Northam stall at the Elevate Festival and Twilight Markets on the Village Green, selling local souvenirs and offering tourist information. Through our partnership with Destination Perth, we were able to secure an information stall at the Perth Caravan & Camping Show, working with our surrounding local governments to collectively promote tourism in the Avon Valley.



THE VISIT NORTHAM BRAND CONTINUED TO GROW ON SOCIAL MEDIA WITH REACH & VISITS ALL UP:

FACEBOOK REACH UP **298.9%**

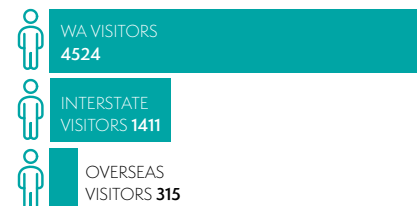
INSTAGRAM REACH UP **112.8%**

PAID REACH UP **100%**

FACEBOOK VISITS UP **261.6%**

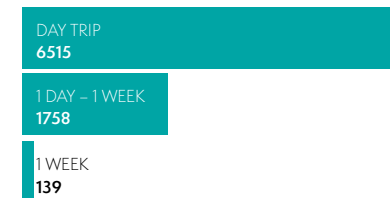
INSTAGRAM VISITS UP **87.5%**

TOTAL VISITOR **6250**



TOTAL VISITOR CENTRE SALES

\$36,638.59



INDUSTRY ATTRACTION FUND (IAF)

The Industry Attraction Fund continued over 2022/23 which is an incentive up to the value of \$1 million to attract a major employer to the region.

No applications were received for the IAF during the 2022/23 period.

BILYA KOORT BOODJA CENTRE FOR NYOONGAR CULTURE & ENVIRONMENTAL KNOWLEDGE

There were some challenges this year, but thankfully we now have a great team of passionate staff working to share Ballardong Nyoongar culture.

Our Centre Tourism Officers have been trained to deliver guided river walks around the Gulgulga (Avon River). These tours deliver on the centre name: river, heart, land, Nyoongar culture, & environmental knowledge. The Gulgulga tours are becoming a popular offering at the centre.

The focus for the centre this year was on the Stage 2 Exhibition Upgrade. This involved capturing the stories of our Elders out on beautiful Ballardong Country. This was a moving experience for all involved, building our connections with Elders and with nature. The stories will form new content for the map table.



**BILYA KOORT BOODJA CENTRE
 STATISTICS**

 Total Centre Visitors **5,183**

 Total Exhibition Entries **2,414**

 Annual Memberships

SOCIAL MEDIA STATS

VISIT NORTHAM

-  1,998 ↑630
Reach 9,714 ↑174.2
-  Followers 4,762 ↑702
Reach 233,375 ↑871.2%

SHIRE OF NORTHAM

-  240,476 ↑127%
Reach 6,623 ↑73.6%
-  Followers 1,584 ↑216
Reach 5,938 ↑1056

BILYA KOORT BOODJA CENTRE

-  1,058 ↑630
Reach 1,166 ↑10.6%
-  Followers 2,927 ↑702
Reach 34,911 ↑27.9%

 News Items & Public Notices **147**

 Sessions **92,715**

 Users **129,822**

 CREATE 298 –

-  12 Meeting room bookings
-  3x three month leases of the Popup shop

STRATEGIC COMMUNITY PLAN & CORPORATE BUSINESS PLAN (COUNCIL PLAN 2022/32)



The Strategic Community Plan element of the Council Plan was adopted in June 2022, based on both current and anticipated resources and capacity, demographic trends, and the aspirations of our community which have been interpreted by Council based on extensive public consultation. Importantly the plan has been developed to guide the Shire in carrying out its functions as a local government to use our best endeavours to meet the needs of current and future generations through an integration of service delivery, environmental protection, social advancement and economic prosperity. The life of the Strategic Community Plan element of the Council Plan is 10 years, with interim reviews to occur in 2026 and 2030, prior to a complete review being undertaken in 2032.

The Corporate Business Plan element of the Council Plan is reviewed annually. The Corporate Business Plan Section sets out, consistently with the relevant priorities established in the strategic community plan, our priorities for dealing with the aim and aspirations of the community in the district. The Corporate Business Plan is utilised to guide our internal business planning by identifying the actions we will be taking to achieve the objectives identified within the strategic community plan. The life of the corporate business plan element is four years, with a review required annually. To help guide our performance, the Council has established a range of performance indicators.

There were no significant modifications made to Council Plan during the 2022/23 period.

THEME AREA PERFORMANCE



The following key projects and initiatives are proposed to commence or to continue in the next financial year:

- ➔ Provide additional Bakers Hill Recreation Precinct infrastructure with consideration for a, skate park BMX track, outdoor exercise equipment and improved, safer access to external toilets
- ➔ Provide improvements to Bert Hawke Oval with additional storage, shade and spectator facilities
- ➔ Provide a well-developed and maintained drainage network, with a focus on asset protection and community safety
- ➔ Provide improved facilities at Henry Street Oval with a multi-purpose electronic scoreboard, BMX track, additional parking and an entry statement with an electronic message board
- ➔ Provide portable grandstands for use across all venues and activities
- ➔ Partner with the State Government to fund the former Northam Railway Station Precinct
- ➔ Provide for footpath renewals within Northam Central Business District
- ➔ Provide activation facilities at Mt Ommanney
- ➔ Partner with Clackline community to deliver a local playground
- ➔ Provide two electric vehicle charging stations at Northam Visitors Centre;
- ➔ Provide a dual use path to Mount Ommanney Road
- ➔ Provide improved tracks and trails
- ➔ Partner with DFES to provide a new facility for Wundowie Bushfire Brigade
- ➔ Provide upgraded infrastructure at the Northam Airport to provide opportunities for expansion
- ➔ Provide entry statements and signage for Northam Light Industrial Areas to raise the profile of LIAs and local businesses within
- ➔ Provide entry statements into the Northam CBD
- ➔ Provide overnight caravan and RV parking facilities in Northam and Bakers Hill
- ➔ Provide a modern, fit for purpose Northam Shire Depot
- ➔ Provide well maintained Shire buildings
- ➔ Provide well maintained plant and equipment.

More information on the upcoming priority actions and initiatives can be viewed in the Council Plan 2022-2032 www.northam.wa.gov.au/documents/1223/council-plan-2022-2032.

GOVERNANCE AND LEADERSHIP



WORK HEALTH & SAFETY

The Shire aims to be a leader in work health, safety and injury management, ensuring that the safety and health of our staff and community is integrated into everything we do, from contract management and procurement to service delivery, events management and staff performance reviews.

During 2022/23, Local Government Insurance Services (LGIS), undertook a Work Health and Safety (WHS) audit which achieved an overall result of 62%. The outcomes of this audit resulted in the development of a WHS plan. Implementation of these improvements will be ongoing throughout 2023/24.

We pride ourselves in fostering a culture where staff are encouraged to report hazards, incidents and near misses, knowing that the information they report will be acted on to improve work health and safety in the workplace.

The Shire continues to investigate these incidents to identify underlying contributing factors and implement corresponding control measures. This includes risk assessing of all tasks in consultation with our workers and safety and health representatives to improve safe working methods.

Key achievements:

- Undertook monthly workplace inspections through designated safety representatives.
- Reviewed the process for workplace inspections to ensure that workplaces are being inspected regularly and the inspections are recorded accurately.
- Continued communications on updates to the new *Work Health and Safety Act 2020* and accompanying regulations. Focus was given to the implications and transition requirements for this legislation for the organisation, managers, employees, contractors and volunteers.
- Reviewed the process for completing Safe Work Method Statements and Take 5's.

HUMAN RESOURCES

Shire of Northam's Workforce Plan provides workforce supply and demand analysis and projection, including gap identification and succession and talent management approaches designed to ensure the organisation has the right people equipped with the appropriate capability and supports to enact its vision and deliver on its strategic objectives.

Workforce planning is part of Shire's business and financial planning processes and is informed by business plans and strategies, both organisation-wide and within its divisions.

People and Culture, Organisational Development (OD) and Human Resources (HR) strategies are informed by workforce planning to ensure the organisation responds effectively to challenge and change.

As of June 30, 2023 our workforce was made up of:

- Females: **53%**
- Males: **47%**
- Women in management: **40%**
- Men in management: **60%**

The Shire has a range of mechanisms in place to ensure the workplace is inclusive, diverse and free from harassment and discrimination including:

- Protocols governing diversity, equal employment opportunity, recruitment, grievance resolution, employee relations and psychosocial hazards;
- Employee training and development; and
- Ensuring compliance with State and Federal Acts and Regulations relating to employment.

Statistics:

- Aboriginal or Torres Strait Islander Employees: **7.6%**

Key achievements:

- Offered various work experience opportunities.
- Initiated a staff engagement survey and conducted a variety of pulse surveys (topic related).
- Facilitated a range of training for staff across the organisation.
- Provided opportunities for employees aspiring to be managers.
- Continued to promote employee communication and engagement, through numerous channels.
- Provided a free counselling service for employees.

Statistics:

- Employee turnover: **24%** *decrease of **2%**
- Employees recruited: **23**
- Job applications received: **353**
- Health and wellbeing initiatives: **7**
- Spent **\$104,915.34** on employee/councillor training

Top 4 recruitment sources:

- Seek: **28%**
- Shire website: **10%**
- Facebook: **10%**
- Word of mouth: **4%**

INTERNAL AUDIT PROGRAM

The internal audit program continued over 2022/23. The program focused on a range of areas to monitor compliance with legislation, policies and processes. All audits were presented to the Audit and Risk Management Committee and Council to review.

Statistics:

- Internal audits undertaken: **28**
- Non-compliances identified: **77**

COMPLIANCE AUDIT RETURN

The Annual Compliance Audit Return is an annual audit of statutory compliance conducted in the form determined by the Department of Local Government, Sport and Cultural Industries in accordance with regulation 14 of the Local Government (Audit) Regulations 1996. The completed return must be reviewed by the Audit and Risk Management Committee and results submitted and adopted by Council prior to submission to the department by 31 March each year.

On 15 March 2023, Council adopted the Department of Local Government, Sport and Cultural Industries Compliance Audit Return for the period 1 January 2022 to 31 December 2022.

Statistic:

- Non-compliances: **3**

The non compliances identified relate to:

- A local law for the Establishment, Maintenance and Equipment of Bush Fire Brigades (Gazetted 21 May 1982) not being posted on the Shire of Northam website or subject to an eight (8) year review. The repeal of this Local Law was approved by Council on 12 February 2004, however the process was never finalised due to the repeal not being published in the Government Gazette.
- Two leases not meeting the disposal requirements of the *Local Government Act 1995*.
- An annual return not being lodged by 31 August 2022.

CUSTOMER SERVICE

The Shire of Northam is committed to excellence in organisational performance and customer service.

Key achievements:

- Maintained a Communication Plan and Customer Service Charter;
- Provided a community dashboard reporting number of complaints, customer requests and progress towards operational areas including road grading; and
- Published quarterly reports to the community on the number of complaints received and average timeframe for dealing with these;
- Implemented an internal audit program to monitor compliance with Council's process for managing customer requests.

Statistics:

- Customer requests received: **2,253**
- Complaints received: **21**
- Average timeframe to deal with complaints: **16.25**

RISK MANAGEMENT

Risk management is an integral part of the Shire's decision making process. The Council acknowledges that risk management is a fundamental element of good business practice. The Council Policy – Risk Management defines the principles that establish and maintain an integrated risk management system across all strategic and operational functions of the Shire, including project and event management.

In 2022/23 the Shire fulfilled its requirement under Regulation 17 of the Local Government (Audit) Regulations 1996 by conducting the three yearly review of its Risk Management Framework to ensure continuous improvement and meeting industry best practice.

The Shire of Northam Risk Register is regularly monitored and reviewed with overdue and non-compliant risk treatment strategies reported to the Audit and Risk Management Committee each quarter.

In 2022/23, the Shire undertook a quarterly review of its Risk Register, with a focus on one classification at each review.

Statistics:

- Identified risks: **50**
- Identified risk treatments: **166**
- Overdue / Non-compliant risk treatments reported: **6**

LOCAL GOVERNMENT ELECTIONS

The Shire of Northam held an extraordinary election for the West Ward on 16 March 2023 as a result of the resignation from West Ward Councillor Paul Curtis on 25 November 2022.

Council received the resignation at its meeting on 21 December 2022 and determined that the Electoral Commissioner will be responsible for the conduct of the Extraordinary Election which will be held as a postal election. Cr Lisa Biglin was elected to fill the position.

ATTENDANCE AT COUNCIL MEETINGS:

The attendance of Elected Members at Council Meetings, Council Forums, Special Council and Strategic Council meetings.

Statistic:

- Number of decisions made by council in 2022/23 - **289**

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	29	0	0	0
Cr M Ryan	27	0	2	0
Cr R Tinetti	23	3	3	0
Cr M Girak	22	4	3	0
Cr H Appleton	28	1	0	0
Cr D Hughes	27	2	0	0
Cr J Williams	26	0	3	0
Cr A Mencshelyi	21	2	6	0
Cr D Galloway	26	0	3	0
Cr L Biglin	7	0	0	0
Cr P Curtis	6	6	3	0

ATTENDANCE AT COMMITTEE MEETINGS:

The following committees were established over the 2022/23 period:

- Audit & Risk Management Committee
- Bush Fire Advisory Committee
- Chief Executive Officer Review Committee
- Community Grant Assessment Committee
- Community Safety Committee
- Local Emergency Management Committee

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	19	0	0	0
Cr M Ryan	13	0	3	0
Cr R Tinetti	1	0	0	0
Cr M Girak	4	1	0	0
Cr H Appleton	4	0	0	0
Cr D Hughes	10	3	0	0
Cr J Williams	16	0	0	0
Cr A Mencshelyi	12	3	3	3
Cr D Galloway	2	0	0	0
Cr L Biglin	0	0	0	0
Cr P Curtis	0	2	0	2

ELECTED MEMBER TRAINING:

	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budgets
Cr C R Antonio	Completed 2019	Completed 2019	Completed 2017	Completed 2019	Completed 2019
Cr M P Ryan	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr R W Tinetti	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr M I Girak	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020
Cr H J Appleton	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr D A Hughes	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr J E G Williams	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr A J Mencshelyi	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr D J Galloway	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020
Cr L C Biglin	Completed 2023	In Progress	In Progress	Completed 2023	In Progress

Note: Under the *Local Government Act 1995*, mandatory training needs to be completed within 12 months of an Elected Member being elected to office.

Local Government Convention 2022 – Cr C Antonio, Cr J Williams, Cr A Mencshelyi, Cr R Tinetti and Cr M Girak attended the Local Government Convention for 2022.

COUNCILLOR ALLOWANCES:

	President Allowance	Deputy President Allowance	Travel Allowance / Reimbursement	Annual Meeting Fees	IT Allowance	Total
Cr Chris Antonio Shire President	\$45,000.00	-	\$6,986.70	\$23,000.00	\$3,118.76	\$78,105.46
Cr Michael Ryan Deputy President	-	\$11,250.00	-	\$19,750.00	\$3,118.76	\$34,118.76
Cr Maria Girak	-	-	-	\$19,750.00	\$3,118.76	\$22,868.76
Cr Attila Mencshelyi	-	-	\$1,539.20	\$19,750.00	\$3,118.76	\$24,407.96
Cr Robert Tinetti	-	-	-	\$19,750.00	\$3,118.76	\$22,868.76
Cr Julie Williams	-	-	\$1,358.64	\$19,750.00	\$3,118.76	\$24,227.40
Cr David Galloway	-	-	\$984.20	\$19,750.00	\$3,118.76	\$23,852.96
Cr Paul Curtis	-	-	-	\$7,954.85	\$1,256.18	\$9,211.03
Cr Hayden Appleton	-	-	-	\$19,750.00	\$3,118.80	\$22,868.80
Cr Desmond Hughes	-	-	\$225.70	\$19,749.96	\$3,118.80	\$23,094.46
Cr Lisa Biglin	-	-	\$492.84	\$5,786.99	\$913.80	\$7,193.63

FEE WAIVERS:

Person/Party	Waiver Requested	Fee Waived
Clackline Muresk BFB	Booking fees for community bus for pre season tour	\$200.00
Edith Cowan University	Room hire fees at Bilya Koort Boodja for 40 people including tea and coffee, and light refreshments	\$390.00
Bakers Hill Progress and Recreation Association	Event fee and blanket stallholder fee	\$324.00
Share and Care Northam	2x family season passes to Northam aquatic centre	\$445.00
Seniors Recreation Council of WA	Hire Costs - 2 indoor courts and kitchen at recreation centre	\$624.00
Northam Amateur Basketball Association	3 x Court hire from 8:30am to 4:30pm on March 11th 2023 for open Eastern Suns training session followed by free 2hr clinic hosted by NBL1 athletes for Wheatbelt youth development. 3 x Court hire from 8:30am to 4:30pm on March 12th 2023 to host free entry NBL1 Marquee match up Eastern Suns vs another NBL 1 preseason program. Meeting room 1 & 2 from 9:30am - 3:30pm on March 12th 2023 for Teams/Briefing rooms.	\$2,352.00
Philip Collins	Hire of Court of Northam Recreation Centre for 2 hours	\$73.00
Vintage Sports Car Club WA	Bus Hire	\$500.00
Hockey WA	Turf hire for training and coaching clinic for local junior hockey athletes	\$362.00
Avon Valley Arts Society Inc.	Northam Town Hall and Lesser Hall to hold an art exhibition.	\$4,856.00
Edith Cowan University	Room hire fees at Bilya Koort Boodja for 15 people	\$143.75
Northam Hockey Club	Hire of synthetic turf to conduct junior development and coaches clinics plus put on 2 exhibition games to display a higher grade of hockey	\$206.00
Hockey WA	Turf hire fees	\$101.75

CITIZENSHIP CEREMONIES

One of the most enjoyable functions undertaken by the Shire is its citizenship ceremonies. Becoming an Australian citizen means making an ongoing commitment to Australia and our shared values. It is also the beginning of an individual's formal membership of the Australian community. The Shire takes great pleasure in hosting such ceremonies.

Statistics:

- Ceremonies held: **4**
- New citizens: **18**

FREEDOM OF INFORMATION (FOI)

The Freedom of Information Act 1992 gives the public the right to apply for access to documents held by the Shire of Northam (subject to some limitations). It also provides a means to ensure that personal information held by the Shire is accurate, complete and up to date.

Statistics:

- FOI applications: **4**
- Average timeframe for dealing with applications: **17 days**

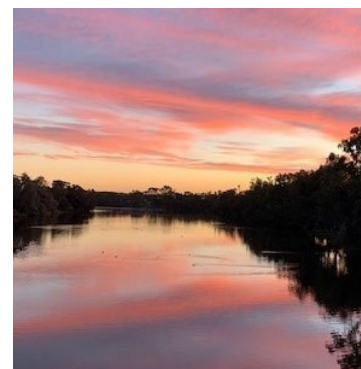
RECORD KEEPING

The State Records Commission (SRC) Standard 1 – Government Record keeping requires that government organisations must ensure that records are created, managed and maintained over time and disposed of in accordance with principles and standards issued by the commission.

In accordance with Section 19 of the State records Act 2000, Local Governments are required to have a Record Keeping Plan that is approved by the State Records Commission (SRC). The purpose of the plan is to provide an accurate reflection of the record keeping program in the organisation, including information regarding the organisation's record keeping system, disposal arrangements, policies, practices and processes. The Shire of Northam's Record Keeping Plan is reviewed and evaluated at least once every five years for efficiency and effectiveness. The Plan was reviewed and approved by the State Records Commission on 14 December 2018. The next review is due prior to 2 August 2023 which will then be submitted to the State Records Commission for approval.

Statistics:

- Records created: **17,058**
- Records [boxes] destroyed: **20**



EMPLOYEE REMUNERATION

In accordance with part 5 of the Local Government (Administration) Regulations 1996 the table below demonstrates the number of employees entitled to and in receipt of an annual salary over \$130,000.

	No. of Employees
\$ 130,000 to \$139,000	-
\$ 140,000 to \$149,000	-
\$ 150,000 to \$159,000	-
\$ 160,000 to \$169,000	1
\$ 170,000 to \$179,000	-
\$ 180,000 to \$189,000	2
\$ 190,000 to \$199,000	-
\$ 200,000 to \$209,000	-
\$ 210,000 to \$219,000	-
\$ 220,000 to \$229,000	1
\$ 230,000 to \$239,000	-
\$ 240,000 to \$249,000	-
\$ 250,000 to \$259,000	-
\$ 260,000 to \$269,000	-
\$ 270,000 to \$279,000	-
\$ 280,000 to \$289,000	-
\$ 290,000 to \$299,000	1

NATIONAL COMPETITIVE POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

COMPETITIVE NEUTRALITY

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user pays income in excess of \$200,000. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities to determine if competitive neutrality is in the public interest.

LOCAL LAWS

The *Local Government Act 1995* requires all existing local laws to be reviewed every eight years. As part of this process the intention to review local laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's local laws. In 2022/23 the Shire of Northam did not review any of its local laws.

COMPLAINTS AND MINOR BREACHES

Section 5.53[hb] of the *Local Government Act 1995* specifies that the annual report is to contain details of entries made in the register of complaints during the financial year in review. The register of complaints is to include:

- The name of the council member about whom the complaint is made.
- The name of the person who makes the complaint.
- The description of the minor breach that the standards panel finds has occurred.
- Details of the action taken.

The standards panel made no findings of minor breaches in 2022/23.

COMMERCIAL ENTERPRISES

Local Government (Administration) Regulation 19BB and 19BC requires local governments to contain in their annual report information relating to major land transactions and trading undertakings.

The Shire of Northam has not undertaken any major land transactions and trading undertakings over the 2022/23 period.



POLICIES

The following policies were reviewed and updated in 2022/23:

- G 1.1** Council Members - Continuing Professional Development
- G 1.2** Attendance at Events - Council Members and the Chief Executive Officer
- G 1.6** Approval of annual and long service leave for the CEO and appointment of an Acting CEO
- G 1.9** Council Member and Staff Interactions and Requests for Information;
- G 1.10** Communications and Social Media Policy;
- G 1.16** Acceptable Use of the Shire's Computing and Communication Resource - Council Members;
- G 1.21** Elected Members Leave of Absence
- A 8.3** Records Management
- A 8.4** Complaints Management
- A 8.5** Property Management (Leases and Licences)
- F 4.2** Procurement Policy
- F 4.3** Investment Policy
- F 4.5** End of Year surplus
- F 4.6** Asset disposal
- F 4.7** Annual and Long Service Leave Liability Policy
- F 4.8** Rates Hardship Policy
- F 4.11** Budget Variation Reporting.

The following policies were revoked in 2022/23:

- G 1.17** Acceptable Use of the Shire's Computing and Communication Resources – Staff, due to the information being contained in the Code of Conduct.
- G 1.3** Attendance at Events – Chief Executive Officer, due to the policy being merged with the policy for Council Members.

SHIRE OF NORTHAM

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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- Certification of Financial Report
- Statement of Comprehensive Income by Nature or Type
- Statement of Financial Position
- Statement of Changes In Equity
- Statement of Cash Flows
- Rate Setting Statement
- Index of Notes to the Financial Report
- Independent Auditor's Report

Principal place of business:
395 Fitzgerald Street
Northam WA 6401





395 Fitzgerald Street, PO Box 613 Northam WA, 6401
08 9622 6100
records@northam.wa.gov.au

www.northam.wa.gov.au | www.visitnortham.com.au



bilya river

koort heart

boodja land

SHIRE OF NORTHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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The Shire of Northam conducts the operations of a local government with the following community vision:

Shire of Northam is a vibrant growing community, that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.

Principal place of business:
395 Fitzgerald Street
Northam WA 6401

**SHIRE OF NORTHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Northam has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 11th day of December 2023

Chief Executive Officer



Debbie Terelinck

SHIRE OF NORTHAM
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2,023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	27(a),2(a)	11,329,075	11,360,033	10,722,615
Grants, subsidies and contributions	2(a)	6,834,988	6,172,224	5,619,500
Fees and charges	2(a)	4,519,105	4,416,789	4,110,409
Interest revenue	2(a)	385,529	325,000	188,965
Other revenue	2(a)	1,418,246	1,079,015	980,198
		24,486,943	23,353,061	21,621,687
Expenses				
Employee costs		(9,904,059)	(9,681,211)	(9,481,810)
Materials and contracts		(7,780,364)	(8,702,468)	(6,566,984)
Utility charges		(1,058,711)	(1,167,337)	(1,232,564)
Depreciation on non-current assets	10(a)	(5,156,749)	(5,080,238)	(5,027,936)
Finance costs	2(b)	(200,686)	(253,065)	(214,287)
Insurance expenses		(558,392)	(556,858)	(554,417)
Other expenditure	2(b)	(413,480)	(225,549)	(649,710)
		(25,072,441)	(25,666,726)	(23,727,708)
		(585,498)	(2,313,665)	(2,106,021)
Capital grants, subsidies and contributions	2(a)	3,173,412	5,246,091	3,313,239
Profit on asset disposals		60,913	54,645	487,502
Loss on asset disposals		(48,253)	(124,463)	(257,846)
Fair value adjustments to financial assets at fair value through profit or loss		11,058	0	11,990
Reversal of prior year loss on revaluation of Infrastructure - streetscape	9(a)	0	0	(91,084)
		3,197,130	5,176,273	3,463,801
Net result for the period	26(b)	2,611,632	2,862,608	1,357,780
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	156,235,154	0	8,491,395
Total other comprehensive income for the period	17	156,235,154	0	8,491,395
Total comprehensive income for the period		158,846,786	2,862,608	9,849,175

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF NORTHAM
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	7,438,135	6,279,186
Trade and other receivables	5	2,882,499	3,120,591
Other financial assets	4(a)	5,301,172	3,687,128
Other assets	7	503,504	278,898
TOTAL CURRENT ASSETS		16,125,310	13,365,803
NON-CURRENT ASSETS			
Trade and other receivables	5	476,940	479,280
Other financial assets	4(b)	345,154	362,304
Property, plant and equipment	8	65,077,984	64,917,760
Infrastructure	9	327,810,305	170,833,866
Right-of-use assets	11(a)	39,025	49,146
TOTAL NON-CURRENT ASSETS		393,749,408	236,642,356
TOTAL ASSETS		409,874,718	250,008,159
CURRENT LIABILITIES			
Trade and other payables	12	2,073,911	2,897,214
Other liabilities	13	1,215,279	801,140
Lease liabilities	11(b)	11,903	11,093
Borrowings	14	463,054	368,947
Employee related provisions	15	1,454,704	1,312,900
TOTAL CURRENT LIABILITIES		5,218,851	5,391,294
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	28,199	38,559
Borrowings	14	6,569,319	5,332,372
Employee related provisions	15	116,780	151,151
Other provisions	16	159,546	159,546
TOTAL NON-CURRENT LIABILITIES		6,873,844	5,681,628
TOTAL LIABILITIES		12,092,695	11,072,922
NET ASSETS		397,782,023	238,935,237
EQUITY			
Retained surplus		117,890,042	112,442,650
Reserve accounts	30	3,033,010	5,868,771
Revaluation surplus	17	276,858,971	120,623,816
TOTAL EQUITY		397,782,023	238,935,237

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF NORTHAM
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2021		113,277,270	3,676,371	112,132,421	229,086,062
Comprehensive income for the period					
Net result for the period		1,357,780	0	0	1,357,780
Other comprehensive income for the period	17	0	0	8,491,395	8,491,395
Total comprehensive income for the period		1,357,780	0	8,491,395	9,849,175
Transfers from reserves	30	2,619,512	(2,619,512)	0	0
Transfers to reserves	30	(4,811,912)	4,811,912	0	0
Balance as at 30 June 2022		112,442,650	5,868,771	120,623,816	238,935,237
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
Restated balance at 1 July 2022		112,442,650	5,868,771	120,623,816	238,935,237
Comprehensive income for the period					
Net result for the period		2,611,632	0	0	2,611,632
Other comprehensive income for the period	17	0	0	156,235,154	156,235,154
Total comprehensive income for the period		2,611,632	0	156,235,154	158,846,786
Transfers from reserves	30	3,169,420	(3,169,420)	0	0
Transfers to reserves	30	(333,659)	333,659	0	0
Balance as at 30 June 2023		117,890,042	3,033,010	276,858,971	397,782,023

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF NORTHAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		11,363,108	10,760,962
Operating grants, subsidies and contributions		6,964,417	5,703,924
Fees and charges		4,443,642	4,089,918
Interest revenue		385,529	188,965
Goods and services tax received		1,049,788	1,222,104
Other revenue		1,535,709	980,198
		<u>25,742,193</u>	<u>22,946,071</u>
Payments			
Employee costs		(9,766,351)	(9,315,793)
Materials and contracts		(8,827,334)	(5,817,341)
Utility charges		(1,058,711)	(1,232,564)
Finance costs		(200,686)	(214,287)
Insurance paid		(558,392)	(554,417)
Goods and services tax paid		(1,007,568)	(1,135,576)
Other expenditure		(413,481)	(649,710)
		<u>(21,832,523)</u>	<u>(18,919,688)</u>
Net cash provided by (used in) operating activities	18(b)	<u>3,909,670</u>	<u>4,026,383</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets		(1,613,355)	(3,659,609)
Payments for Community Advance		0	(60,000)
Payments for purchase of property, plant & equipment	8(a)	(1,889,332)	(2,270,566)
Payments for construction of infrastructure	9(a)	(4,366,557)	(4,888,099)
Non-operating grants, subsidies and contributions		3,549,089	3,143,585
Proceeds Community Advance		6,000	6,000
Proceeds from financial assets at amortised cost - self supporting loans		21,519	20,851
Proceeds from sale of property, plant & equipment		222,293	1,454,723
		<u>(4,070,343)</u>	<u>(6,253,115)</u>
Net cash provided by (used in) investing activities		<u>(4,070,343)</u>	<u>(6,253,115)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	29(a)	(368,948)	(357,209)
Payments for principal portion of lease liabilities	29(c)	(11,431)	(9,114)
Proceeds from new borrowings	29(a)	1,700,000	0
		<u>1,319,621</u>	<u>(366,323)</u>
Net cash provided by (used in) financing activities		<u>1,319,621</u>	<u>(366,323)</u>
Net increase (decrease) in cash held		<u>1,158,949</u>	<u>(2,593,055)</u>
Cash at beginning of year		6,279,186	8,872,241
Cash and cash equivalents at the end of the year	18(a)	<u><u>7,438,135</u></u>	<u><u>6,279,186</u></u>

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF NORTHAM
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27(a)	11,329,075	11,360,033	10,722,615
Grants, subsidies and contributions		6,834,988	6,172,224	5,619,500
Fees and charges		4,519,105	4,416,789	4,110,409
Interest revenue		385,529	325,000	188,965
Other revenue		1,418,246	1,079,015	980,198
Profit on asset disposals		60,913	54,645	487,502
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	11,058	0	11,990
		<u>24,558,914</u>	<u>23,407,706</u>	<u>22,121,179</u>
Expenditure from operating activities				
Employee costs		(9,904,059)	(9,681,211)	(9,481,810)
Materials and contracts		(7,780,363)	(8,702,468)	(6,566,984)
Utility charges		(1,058,711)	(1,167,337)	(1,232,564)
Depreciation		(5,156,749)	(5,080,238)	(5,027,936)
Interest expenses		(200,686)	(253,065)	(214,287)
Finance costs		(558,392)	(556,858)	(554,417)
Other expenditure		(413,481)	(225,549)	(649,710)
Loss on asset disposals		(48,253)	(124,463)	(257,846)
Reversal of prior year loss on revaluation of assets		0	0	(91,084)
		<u>(25,120,694)</u>	<u>(25,791,189)</u>	<u>(24,076,638)</u>
Non-cash amounts excluded from operating activities	28(a)	5,071,573	5,150,056	4,749,206
Amount attributable to operating activities		<u>4,509,793</u>	<u>2,766,573</u>	<u>2,793,747</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,173,412	5,246,091	3,313,239
Proceeds from disposal of assets		222,293	379,000	1,454,723
Proceeds from financial assets at amortised cost - self supporting loans	29(a)	21,519	21,518	20,851
Movement leave budgeted added back		0	0	100,000
Proceeds Community Advance		6,000	6,000	6,000
		<u>3,423,224</u>	<u>5,652,609</u>	<u>4,894,813</u>
Outflows from investing activities				
Payments for Community Advance		0	0	(60,000)
Purchase of property, plant and equipment	8(a)	(1,889,332)	(4,643,483)	(2,270,566)
Purchase and construction of infrastructure	9(a)	(4,366,557)	(12,677,651)	(4,888,099)
		<u>(6,255,889)</u>	<u>(17,321,134)</u>	<u>(7,218,665)</u>
Amount attributable to investing activities		<u>(2,832,665)</u>	<u>(11,668,525)</u>	<u>(2,323,852)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	29(a)	1,700,000	2,700,000	0
Transfers from reserves (restricted assets)	30	3,169,420	2,859,420	2,619,512
		<u>4,869,420</u>	<u>5,559,420</u>	<u>2,619,512</u>
Outflows from financing activities				
Repayment of borrowings	29(a)	(368,948)	(407,957)	(357,209)
Payments for principal portion of lease liabilities	29(c)	(11,431)	0	(9,114)
Transfers to reserves (restricted assets)	30	(333,659)	(340,054)	(4,811,912)
		<u>(714,038)</u>	<u>(748,011)</u>	<u>(5,178,235)</u>
Amount attributable to financing activities		<u>4,155,382</u>	<u>4,811,409</u>	<u>(2,558,723)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year				
Amount attributable to operating activities	28(b)	3,634,394	4,090,543	5,723,222
Amount attributable to investing activities		4,509,793	2,766,573	2,793,747
Amount attributable to financing activities		(2,832,665)	(11,668,525)	(2,323,852)
Surplus/(deficit) after imposition of general rates	28(b)	<u>9,466,904</u>	<u>0</u>	<u>3,634,394</u>

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF NORTHAM
FOR THE YEAR ENDED 30 JUNE 2022
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**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report of the Shire of Northam which is a band 2 Local Government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 of the financial report.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This standard will result in a terminology change for significant accounting policies

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges, Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk, Visitor Centre and Bilya Koort Boodja stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Fees and Charges - waste management entry fees	Waste and recycling disposal at disposal sites	Single point in time	Payment at gate or under normal trading terms for debtors	None	On entry to facility

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	11,301,752	27,323	11,329,075
Operating grants, subsidies and contributions	2,122,912	0	0	4,712,076	6,834,988
Fees and charges	2,521,267	0	1,997,838	0	4,519,105
Interest earnings	225,035	0	160,494	0	385,529
Other revenue	962,917	0	0	455,329	1,418,246
Non-operating grants, subsidies and contributions	0	3,173,412	0	0	3,173,412
Total	5,832,131	3,173,412	13,460,084	5,194,729	27,660,355

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	10,707,390	15,225	10,722,615
Operating grants, subsidies and contributions	1,476,891	0	0	4,142,609	5,619,500
Fees and charges	2,196,145	0	1,914,264	0	4,110,409
Interest earnings	25,820	0	163,145	0	188,965
Other revenue	710,860	0	0	269,338	980,198
Non-operating grants, subsidies and contributions	0	3,313,239	0	0	3,313,239
Total	4,409,716	3,313,239	12,784,799	4,427,172	24,934,926

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

	Note	2023 Actual \$	2022 Actual \$
(a) Revenue (Continued)			
Interest revenue			
Financial assets at amortised cost - self supporting loans		3,708	4,525
Interest on reserve account funds		93,446	10,837
Rates instalment and penalty interest (refer Note 27(c))		160,494	163,145
Other interest earnings		127,881	10,458
		<u>385,529</u>	<u>188,965</u>
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		46,000	47,900
- Other services		20,440	20,586
		<u>66,440</u>	<u>68,486</u>
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	29(a)	199,243	213,009
Lease liabilities	29(c)	1,443	1,277
		<u>200,686</u>	<u>214,286</u>
Other expenditure			
Sundry expenses		413,480	649,710
		<u>413,480</u>	<u>649,710</u>

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	5,906,698	3,314,667
Term deposits	1,531,437	2,964,519
Total cash and cash equivalents	7,438,135	6,279,186
Held as		
- Unrestricted cash and cash equivalents	2,560,763	(390,725)
- Restricted cash and cash equivalents	4,877,372	6,669,911
	7,438,135	6,279,186

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the Shire due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Details of restrictions on financial assets can be found at Note 18.

4. OTHER FINANCIAL ASSETS

(a) Current assets

	2023	2022
	\$	\$
Financial assets at amortised cost	5,301,172	3,687,128
	5,301,172	3,687,128
Other financial assets at amortised cost		
Self supporting loans receivable	22,208	21,519
Term deposits	5,272,964	3,659,609
Community Advance	6,000	6,000
	5,301,172	3,687,128
Held as		
- Unrestricted other financial assets at amortised cost	5,301,172	3,687,128
	5,301,172	3,687,128

(b) Non-current assets

Financial assets at fair value through profit and loss	244,469	233,411
Financial assets at amortised cost	100,685	128,893
	345,154	362,304
Financial assets at amortised cost		
Self supporting loans receivable	58,685	80,893
Community Advance	42,000	48,000
	100,685	128,893
Financial assets at fair value through profit and loss		
Units in Local Government House Trust - opening balance	233,411	221,421
Movement attributable to fair value increment	11,058	11,990
Units in Local Government House Trust - closing balance	244,469	233,411

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non -Current financial assets at amortised cost fair values are based on discounted cash flows using a current market rate. They are classified as level 2 fair values in the fair value hierarchy (see Note 25(i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates receivable	2,403,658	2,433,612
Trade and other receivables from contracts with customers	356,116	536,337
GST receivable	186,562	261,734
Allowance for credit losses of trade and other receivables	23(b) (2,369)	(664)
Allowance for credit losses of rates receivables	23(b) (61,468)	(110,428)
	2,882,499	3,120,591
Non-current		
Rates and statutory receivables	476,940	479,280
	476,940	479,280

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	356,116	536,337	797,324
Contract assets	7 467,679	278,898	398,000
Allowance for credit losses of trade and other receivables	23(b) (2,369)	(664)	(102)
Allowance for credit losses of rates receivables	23(b) (61,468)	(110,428)	(157,962)
Total trade and other receivables from contracts with customers	759,958	704,143	1,037,260

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

The Shire does not carry inventories as they are expensed to the job or plant at the time of purchase.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. OTHER ASSETS

Other assets - current

Contract assets
Accrued Income

	2023	2022
	\$	\$
Contract assets	467,679	278,898
Accrued Income	35,825	0
	503,504	278,898

SIGNIFICANT ACCOUNTING POLICIES

Contract assets

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Bushfire Equipment	Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	9,852,782	3,793,038	34,831,889	48,477,709	804,287	4,113,329	2,240,960	0	55,636,285
Additions	0	23,436	458,606	482,042	0	614,622	233,137	940,765	2,270,566
Disposals	(720,150)	(139,609)	0	(859,759)	0	(334,508)	(30,800)	0	(1,225,067)
Revaluation increments / (decrements) transferred to revaluation surplus	33,468	701,416	7,756,511	8,491,395	0	0	0	0	8,491,395
Depreciation	0	(87,777)	(764,837)	(852,614)	(130,190)	(469,510)	(231,737)	0	(1,684,051)
Transfers	0	(150,715)	1,882,123	1,731,408	(453,491)	0	0	150,715	1,428,632
Balance at 30 June 2022	9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760
Comprises:									
Gross balance amount at 30 June 2022	9,166,100	4,139,789	44,164,292	57,470,181	427,591	5,722,089	3,054,937	1,091,480	67,766,278
Accumulated depreciation at 30 June 2022	0	0	0	0	(206,985)	(1,798,156)	(843,377)	0	(2,848,518)
Balance at 30 June 2022	9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760
Additions	0	23,617	363,321	386,938	0	703,487	0	798,907	1,889,332
Disposals	0	0	0	0	0	(209,633)	0	0	(209,633)
Depreciation	0	(119,878)	(886,193)	(1,006,071)	(22,953)	(490,626)	(258,893)	0	(1,778,543)
Transfers	221,225	0	14,288	235,513	0	23,555	0	0	259,068
Balance at 30 June 2023	9,387,325	4,043,528	43,655,708	57,086,561	197,653	3,950,716	1,952,667	1,890,387	65,077,984
Comprises:									
Gross balance amount at 30 June 2023	9,387,325	4,163,406	44,541,903	58,092,634	427,591	6,049,439	3,054,937	1,890,387	69,514,988
Accumulated depreciation at 30 June 2023	0	(119,878)	(886,195)	(1,006,073)	(229,938)	(2,098,723)	(1,102,270)	0	(4,437,004)
Balance at 30 June 2023	9,387,325	4,043,528	43,655,708	57,086,561	197,653	3,950,716	1,952,667	1,890,387	65,077,984

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare/ available market information
Land	3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Not applicable	Cost	Not applicable	Not applicable
Plant and equipment		Not applicable	Cost	Not applicable	Not applicable

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - playground equipment	Infrastructure - other	Infrastructure - streetscape	Infrastructure - bridges and culverts	Infrastructure - aerodrome	Infrastructure - work in progress	Total Infrastructure
Balance at 1 July 2021	\$ 88,322,282	\$ 4,885,145	\$ 12,892,052	\$ 293,402	\$ 21,429,785	\$ 550,025	\$ 41,157,658	\$ 1,178,341	\$ 0	\$ 170,708,690
Additions	2,097,836	262,422	110,397	0	1,110,513	18,935	194,740	12,490	1,080,766	4,888,099
Depreciation	10(a) (1,564,195)	(167,001)	(155,591)	(46,099)	(733,266)	(18,744)	(568,541)	(80,854)	0	(3,334,291)
Transfers	0	0	0	0	(1,496,129)	0	0	0	67,497	(1,428,632)
Balance at 30 June 2022	88,855,923	4,980,566	12,846,858	247,303	20,310,903	550,216	40,783,857	1,109,977	1,148,263	170,833,866
Comprises:										
Gross balance at 30 June 2022	94,764,462	5,615,031	13,408,812	431,700	22,822,454	595,014	42,942,293	1,390,432	1,148,263	183,118,461
Accumulated depreciation at 30 June 2022	(5,908,539)	(634,465)	(561,954)	(184,397)	(2,511,551)	(44,798)	(2,158,436)	(280,455)	0	(12,284,595)
Balance at 30 June 2022	88,855,923	4,980,566	12,846,858	247,303	20,310,903	550,216	40,783,857	1,109,977	1,148,263	170,833,866
Additions	3,231,749	0	228,373	0	788,704	21,901	0	95,830	0	4,366,557
Revaluation increments / (decrements) transferred to revaluation surplus	132,930,739	612,494	14,893,042	66,096	(398,749)	492,578	7,319,274	319,680	0	156,235,154
Depreciation	10(a) (1,590,417)	(175,189)	(156,883)	(46,099)	(724,099)	(19,691)	(571,131)	(82,695)	0	(3,366,204)
Transfers	0	0	0	0	910,199	(21,004)	0	0	(1,148,263)	(259,068)
Balance at 30 June 2023	223,427,994	5,417,871	27,811,390	267,300	20,886,958	1,024,000	47,532,000	1,442,792	0	327,810,305
Comprises:										
Gross balance at 30 June 2023	223,427,994	5,417,871	27,811,390	267,300	20,886,958	1,024,000	47,532,000	1,442,792	0	327,810,305
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	0	0	0	0
Balance at 30 June 2023	223,427,994	5,417,871	27,811,390	267,300	20,886,958	1,024,000	47,532,000	1,442,792	0	327,810,305

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - playground equipment	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - streetscape	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges and culverts	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - aerodrome	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	20 to 55 years
Furniture & Equipment	4 to 10 years
Plant & Equipment (Bush fire)	3 to 15 years
Sealed Roads & Streets	
Formation	Not depreciated
Pavement	80 years
Seal	
Bituminous seals	23 to 30 years
Asphalt surfaces	23 to 30 years
Streetscape	15 to 55 years
Gravel Roads	
Formation	Not depreciated
Pavement	80 years
Gravel Sheet	33 years
Water supply piping	75 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Playground Equipment	5 to 15 years
Bridges & Culverts	75 to 100 years
Parks, Reserves and other infrastructure	4 to 55 years
Infrastructure-Aerodrome	5 to 50 years
Footpaths	
Insitu concrete & slabs	32 years
Drainage	85 years

Revision of useful lives of plant and equipment

As part of the Revaluing of Infrastructure Assets during the year all depreciation rates were reviewed, no changes

(b) Temporarily Idle or retired from use assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

Buildings - non specialised

	2023	2022
	\$	\$
	94,050	99,000
	94,050	99,000
	141,383	123,369
	141,383	123,369

(c) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

Furniture and equipment

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right-of-use assets - land and buildings \$	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021		0	987	987
Additions		57,754	0	57,754
Depreciation		(8,608)	(987)	(9,595)
Balance at 30 June 2022		49,146	0	49,146
Additions		1,881	0	1,881
Depreciation	10(a)	(12,002)	0	(12,002)
Balance at 30 June 2023		39,025	0	39,025

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	10(a)	12,002	9,595
Finance charge on lease liabilities	29(c)	1,444	1,277
Total amount recognised in the statement of comprehensive income		13,446	10,872
Total cash outflow from leases		(9,988)	(7,837)
(b) Lease Liabilities			
Current		11,903	11,093
Non-current		28,199	38,559
	29(c)	40,102	49,652

The Shire has two leases for plant and equipment, one for a photocopier and one for a floor sweeper, both are for five year terms, in addition the Shire leases one block of land known as the village green also for a period of five years.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 29(c).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**SHIRE OF NORTHAM
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11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	2023 Actual	2022 Actual
	\$	\$
Less than 1 year	254,311	237,200
1 to 2 years	68,967	254,311
2 to 3 years	63,308	68,968
3 to 4 years	63,308	63,308
4 to 5 years	63,308	63,308
> 5 years	189,925	253,233
	703,128	940,328

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income	237,201	222,984
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The Shire leases houses to aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

The shire leases various buildings to commercial and government services and these are not considered investment property as they are leased for use in the supply of services to the community.

The Shire also leases aerodrome services. All Shire leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to ownership of the assets.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Expectations about the future residual values are reflected in the fair value of the properties.

The future income disclosed relates to the remaining terms of the existing leases and excludes any income which maybe received if lease holders exercise options to extend the lease.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

SHIRE OF NORTHAM
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12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued Expenditure
Interest Accrued on Loans

	2023	2022
	\$	\$
Sundry creditors	633,733	1,457,792
Prepaid rates	391,910	390,171
Accrued payroll liabilities	174,269	143,994
ATO liabilities	48,772	81,724
Bonds and deposits held	768,121	722,287
Accrued Expenditure	0	40,831
Interest Accrued on Loans	57,106	60,415
	2,073,911	2,897,214

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities
Other Liabilities DOT

	2023	2022
	\$	\$
	0	79,000
	1,097,816	722,140
	117,463	0
	<u>1,215,279</u>	<u>801,140</u>
Reconciliation of changes in capital grant/ contribution liabilities		
Opening balance	79,000	229,082
Additions	0	0
Revenue from capital grant/contributions with customers included as a contract liability at the start of the period	<u>(79,000)</u>	<u>(150,082)</u>
	0	79,000

Reconciliation of changes in capital grant/ contribution liabilities

Opening balance
Additions

Revenue from capital grant/contributions with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in contract liabilities

Opening balance
Additions

Revenue from capital grant/contributions held as a liability at the start of the period

	722,140	891,794
	975,460	0
	<u>(599,784)</u>	<u>(169,654)</u>
	1,097,816	722,140

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		463,054	6,569,319	7,032,373	368,947	5,332,372	5,701,319
Total secured borrowings	29(a)	463,054	6,569,319	7,032,373	368,947	5,332,372	5,701,319

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Northam.

The Shire of Northam has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy 25 (i) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23. Details of individual borrowings required by regulations are provided at Note 29(a).

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave
Long Service Leave

	2023	2022
	\$	\$
Annual Leave	709,390	605,301
Long Service Leave	745,314	707,599
	1,454,704	1,312,900

Non-current provisions

Long Service Leave

Long Service Leave	116,780	151,151
	116,780	151,151
	1,571,484	1,464,051

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

Note	2023	2022
	\$	\$
Less than 12 months after the reporting date	150,000	100,000
More than 12 months from reporting date	1,421,484	1,364,051
	1,571,484	1,464,051

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

16. OTHER PROVISIONS

	Note	Bonds	Total
		\$	\$
Opening balance at 1 July 2022			
Non-current provisions		159,546	159,546
		159,546	159,546
Balance at 30 June 2023		159,546	159,546
Comprises			
Non-current		159,546	159,546
		159,546	159,546

Extractive Industries bonds are considered non-current as notice and rehabilitation take more than 12 months to complete prior to returning the bonds.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

17. REVALUATION SURPLUS

	2023 Opening Balance	2023 Revaluation Increment	2023 Revaluation (Decrement)	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	10,460,642	0	0	0	10,460,642	10,427,174	33,468	0	33,468	10,460,642
Buildings- Non specialised	14,147,003	0	0	0	14,147,003	13,445,587	701,416	0	701,416	14,147,003
Buildings - specialised	7,756,511	0	0	0	7,756,511	0	7,756,511	0	7,756,511	7,756,511
Furniture and equipment	175,330	0	0	0	175,330	175,330	0	0	0	175,330
Plant and equipment	368,708	0	0	0	368,708	368,708	0	0	0	368,708
Bushfire Equipment	1,074,141	0	0	0	1,074,141	1,074,141	0	0	0	1,074,141
Revaluation surplus - Infrastructure - roads	53,504,060	132,930,739	0	132,930,739	186,434,799	53,504,060	0	0	0	53,504,060
Infrastructure - footpaths	0	612,494	0	612,494	612,494	0	0	0	0	0
Infrastructure - drainage	0	14,893,042	0	14,893,042	14,893,042	0	0	0	0	0
Infrastructure - playground equipment	631,572	66,096	0	66,096	697,668	631,572	0	0	0	631,572
Revaluation surplus - Infrastructure - other	5,917,610	0	(398,749)	(398,749)	5,518,861	5,917,610	0	0	0	5,917,610
Infrastructure - streetscape	0	492,578	0	492,578	492,578	(91,084)	91,084	0	91,084	0
Infrastructure - bridges and culverts	26,588,239	7,319,274	0	7,319,274	33,907,513	26,588,239	0	0	0	26,588,239
Revaluation surplus - Infrastructure - aerodrome	0	319,680	0	319,680	319,680	0	0	0	0	0
	120,623,816	156,633,903	(398,749)	156,235,154	276,858,971	112,041,337	8,582,479	0	8,582,479	120,623,816

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	7,438,135	6,279,186
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	4,877,372	6,669,911
		<u>4,877,372</u>	<u>6,669,911</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	3,033,010	5,868,771
Capital grant liabilities	13	1,097,816	722,140
Contract liabilities	13	0	79,000
Unspent loans	29(c)	746,546	0
Total restricted financial assets		<u>4,877,372</u>	<u>6,669,911</u>
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities			
Net result		2,611,632	1,357,780
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit and loss		(11,058)	(11,990)
Depreciation/amortisation		5,156,749	5,027,936
(Profit)/loss on sale of asset		(12,660)	(229,657)
Loss on revaluation of fixed assets		0	91,084
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		240,432	341,402
(Increase)/decrease in other assets		(224,606)	119,102
Increase/(decrease) in trade and other payables		(823,303)	735,998
Increase/(decrease) in employee related provisions		107,433	128,048
Increase/(decrease) in other provisions		0	(70,000)
Increase/(decrease) in other liabilities		414,139	(319,736)
Non-operating grants, subsidies and contributions		(3,549,088)	(3,143,585)
Net cash provided by/(used in) operating activities		<u>3,909,670</u>	<u>4,026,382</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit		100,000	100,000
Bank overdraft at balance date		0	0
Credit card limit		15,000	15,000
Credit card balance at balance date		(3,701)	(8,199)
Total amount of credit unused		<u>111,299</u>	<u>106,801</u>
Loan facilities			
Loan facilities - current		463,054	368,947
Loan facilities - non-current		6,569,319	5,332,372
Total facilities in use at balance date		<u>7,032,373</u>	<u>5,701,319</u>

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. CONTINGENT LIABILITIES

The Shire has identified the following sites after year end, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated.

7243 and 1872 with site parcel number 43852 and 71334 respectively

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agrees with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	943,853	3,200,627
- plant & equipment purchases	696,601	434,003
	1,640,454	3,634,630
Payable:		
- not later than one year	1,640,454	3,634,630

The Commitment as of 30 June 2023 relates to Northam Depot redevelopment \$331,327, Inkpen Fireshed Extension \$229,519, fleet renewal \$269,256.67, road plant purchases \$427,345, road projects- \$36,105 Parker road Grassvalley North road \$33,910, Wundowie Oval \$40,505, Bert Hawke Oval \$26,928, Henry Oval \$16,148 Aerodromes \$12,837, fire danger signage \$26,205, Northam old pool \$25,856, Water reuse \$38,499 BMX shelter peel terrace \$18,700, BKB \$107,314.

The Commitment as of 30 June 2022 relates to the BKB Fire Pit \$23,709, Road Projects \$1,270,864, Forrest Street Road and Spenser Brooke Road \$ 968,079, Bakers Hill Water Project \$20,500, Northam Tip Shop \$84,155, Wundowie Fire Shed \$ 56,266, Northam SES Shed \$ 42,527, Beavis place realignment \$25,173, CCTV community policing \$ 34,061, Consultants \$ 184,020, Road plant purchases \$ 434,003, Northam Depot \$ 423,404, Memorial Hall \$ 67,869.

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2023 Actual	2023 Budget	2022 Actual
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	45,000	45,000	45,000
Deputy President's annual allowance	11,250	11,250	11,250
Meeting attendance fees	195,342	201,350	201,350
ICT expenses	3,715	3,810	3,810
Annual allowance for ICT expenses	30,241	31,190	31,190
Travel and accommodation expenses	11,588	16,000	11,987
Annual allowance for travel and accommodation expenses	0	3,600	0
21(b)	297,135	312,200	304,587

(b) Key Management Personnel (KMP) Compensation

	2023 Actual	2022 Actual
The total of compensation paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	808,798	826,594
Post-employment benefits	94,318	89,176
Employee - other long-term benefits	123,518	92,482
Council member costs	297,135	304,587
21(a)	1,323,769	1,312,839

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF NORTHAM
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21. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	49,418	57,797
Purchase of goods and services	5,241	18,073
Amounts receivable from related parties:		
Trade and other receivables	0	0

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. JOINT ARRANGEMENTS

Share of joint operations

The Shire together with the Department of Housing and Works have a joint operation housing arrangement for the provision of eight aged care accommodation units at Lot 410 Kuringal Road Wundowie. The joint operation has been established since 1996.

	2023 Actual	2022 Actual
Statement of Financial Position	\$	\$
Land and buildings fair value 30 June 2017	0	0
Land and buildings fair value 30 June 2022	990,001	990,001
Other infrastructure fair value 30 June 2018	0	8,800
Other infrastructure fair value 30 June 2023	6,600	0
Additions at cost	0	0
Less : accumulated depreciation	(19,800)	(2,597)
Total assets	976,801	996,204
Statement of Comprehensive Income		
Other revenue	50,683	48,009
Depreciation	(19,800)	(2,597)
Other expense	(38,138)	(54,694)
Net result for the period		
Profit/(loss) for the period	(7,255)	(9,282)
Other comprehensive income	16,342	15,386
Total comprehensive income for the period	9,087	6,104
Statement of Cash Flows		
Other revenue	50,683	48,009
Other expense	(38,138)	(54,694)
Net cash provided by (used in) operating activities	12,545	(6,685)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**SHIRE OF NORTHAM
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23. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	3.8%	7,438,135	1,531,437	5,906,698	0
Financial assets at cost - term deposits	4.42%	5,272,964	5,272,964	0	0
2022					
Cash and cash equivalents	2.80%	6,279,186	2,964,519	3,310,827	3,840
Financial assets at amortised cost - term deposits	3.28%	3,659,609	3,659,609	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	59,067	33,108

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

SHIRE OF NORTHAM

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non statutory user fees and charges , grants, contributions and reimbursements . The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2023						
Rates receivable						
Expected credit loss	0.70%	0.99%	1.34%	1.81%		
Gross carrying amount	720,825	501,985	270,254	1,004,079	2,497,143	
Loss allowance	14,998	11,324	8,254	26,892	61,468	5
30 June 2022						
Rates receivable						
Expected credit loss	0.74%	1.00%	1.42%	2.02%		
Gross carrying amount	735,302	429,283	408,293	860,734	2,433,612	
Loss allowance	26,203	21,532	18,147	44,546	110,428	5

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables.

	Current year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2023						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	232,228	18,803	44,602	32,956	328,589	
Loss allowance	0	0	0	2,369	2,369	5
30 June 2022						
Trade and other receivables						
Expected credit loss	0.80%	3.58%	4.05%	53.14%		
Gross carrying amount	475,635	13,035	5,397	42,270	536,337	
Loss allowance	0	0	0	664	664	5

SHIRE OF NORTHAM
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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 110,428	\$ 157,963	\$ 664	\$ 102	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	13,851	7,431	1,782	562	0	0
Receivables written off during the year as uncollectible	0	(23,415)	0	0	0	0
Unused amount reversed	(62,811)	(31,551)	(77)	0	0	0
Closing loss allowance at 30 June	61,468	110,428	2,369	664	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2023</u>					
Trade and other payables	2,073,911	0	0	2,073,911	2,073,911
Borrowings	463,054	1,987,660	4,581,659	7,032,373	7,032,373
Lease liabilities	11,903	28,199	0	40,102	40,102
	<u>2,548,868</u>	<u>2,015,859</u>	<u>4,581,659</u>	<u>9,146,386</u>	<u>9,146,386</u>
<u>2022</u>					
Trade and other payables	2,897,214	0	0	2,897,214	2,897,214
Borrowings	368,947	2,114,076	3,218,296	5,701,319	5,701,319
Lease liabilities	11,093	38,559	0	49,652	49,652
	<u>3,277,254</u>	<u>2,152,635</u>	<u>3,218,296</u>	<u>8,648,185</u>	<u>8,648,185</u>

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no anticipated subsequent events as of date of preparation of the financial statements.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

26. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p>General purpose funding To collect revenue to allow for the provision of services</p>	Rates, general purpose government grants and interest revenue.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency
<p>Health To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, pest control, immunisation services, noise control and health inspections.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Assistance with playgroup centres, senior citizen hall and respite care centre. Provision of home and community care programs and youth services.
<p>Housing To provide and maintain elderly residents housing</p>	Provision and maintenance of rental housing, including elderly residents housing.
<p>Community amenities To provide services required by the community</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and
<p>Recreation and culture To establish and effectively manage infrastructure</p>	Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<p>Transport To provide safe, effective and efficient transport services to the community</p>	Construction and maintenance of roads, streets, bridges, drainage works, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Licensing transactions under contract with the WA Government.
<p>Economic services To help promote the Shire and its economic wellbeing</p>	The regulation and provision of tourism, area promotion and building control. Provision of rural services including weed control, vermin control and standpipes.
<p>Other property and services To monitor and control Shire's overheads operating accounts</p>	Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2023	2022
	Actual	Actual
	\$	\$
Income excluding capital grants, subsidies and contributions		
Governance	21,245	84,949
General purpose funding	16,571,556	15,238,005
Law, order, public safety	1,087,245	669,750
Health	34,964	47,752
Education and welfare	1,360,333	1,250,930
Housing	50,684	49,764
Community amenities	3,076,697	2,858,035
Recreation and culture	721,484	671,374
Transport	709,585	56,245
Economic services	563,216	581,012
Other property and services	361,905	334,465
	24,558,914	21,842,281
Capital grants, subsidies and contributions		
Law, order, public safety	113,222	373,948
Community amenities	0	286,711
Recreation and culture	101,032	164,000
Transport	2,854,182	2,488,580
Economic services	104,976	0
	3,173,412	3,313,239
Total Income	27,732,326	25,155,520
Expenses		
Governance	(1,350,903)	(1,385,148)
General purpose funding	(295,481)	(345,951)
Law, order, public safety	(2,316,615)	(1,957,475)
Health	(455,488)	(308,579)
Education and welfare	(1,208,923)	(1,418,293)
Housing	(66,339)	(65,747)
Community amenities	(4,169,821)	(3,270,648)
Recreation and culture	(5,506,233)	(5,105,638)
Transport	(6,187,817)	(6,549,800)
Economic services	(2,562,156)	(2,651,841)
Other property and services	(1,000,917)	(738,620)
Total expenses	(25,120,693)	(23,797,740)
Net result for the period	2,611,632	1,357,780

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

26. FUNCTION AND ACTIVITY (Continued)

(c) Total Assets

	2023	2022
	Actual	Actual
	\$	\$
Governance		0
General purpose funding	15,818,658	13,423,520
Law, order, public safety	4,800,611	4,769,384
Health	112,226	118,752
Education and welfare	4,480,689	4,501,962
Housing	1,075,976	1,089,001
Community amenities	3,823,383	3,303,509
Recreation and culture	50,075,682	50,532,173
Transport	310,695,209	152,570,634
Economic services	8,047,073	8,277,772
Other property and services	10,800,777	11,306,125
Unallocated	144,434	115,327
	409,874,718	250,008,159

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

27. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22		
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
00 Non Rateable Value	Gross rental valuation	0	705	2,836,203	0	0	0	0	0	0	0	0	0
01 GRV Townsite Residential	Gross rental valuation	10.3505	5,057	61,364,901	6,351,574	10,633	6,848	6,369,055	6,357,670	36,000	400	6,394,070	6,353,998
02 GRV Northam Commercial /Indu	Gross rental valuation	11.126	279	16,384,353	1,822,923	1,966	8,836	1,833,725	1,822,923	20,000	300	1,843,223	1,709,027
05 Agricultural Local	Unimproved valuation	0.6068	436	114,652,000	695,751	9,746	(478)	705,019	696,767	0	100	696,867	708,509
06 Agricultural Regional	Unimproved valuation	0.4913	326	157,477,100	773,454	(5,786)	1,351	769,019	773,454	2,000	100	775,554	673,426
07 Rural Small Holding	Unimproved valuation	0.9562	96	6,801,500	68,549	0	0	68,549	68,550	2,000	100	70,650	67,898
Sub-Total			6,899	359,516,057	9,712,251	16,559	16,557	9,745,367	9,719,364	60,000	1,000	9,780,364	9,512,858
Minimum payment		\$											
01 GRV Townsite Residential	Gross rental valuation	1,016	1,136	5,590,334	1,154,176	13,208	0	1,167,384	1,148,080	0	0	1,148,080	876,040
02 GRV Northam Commercial /Indu	Gross rental valuation	1,016	34	179,875	34,544	0	0	34,544	34,544	0	0	34,544	24,200
05 Agricultural Local	Unimproved valuation	1,016	189	20,901,023	192,024	1,016	0	193,040	191,008	0	0	191,008	146,730
06 Agricultural Regional	Unimproved valuation	840	162	20,568,900	136,080	1,680	0	137,760	136,080	0	0	136,080	131,040
07 Rural Small Holding	Unimproved valuation	970	45	2,171,742	43,650	0	0	43,650	43,650	0	0	43,650	40,348
Sub-Total			1,566	49,411,874	1,560,474	15,904	0	1,576,378	1,553,362	0	0	1,553,362	1,218,358
			8,465	408,927,931	11,272,725	32,463	16,557	11,321,745	11,272,726	60,000	1,000	11,333,726	10,731,216
Discounts on general rates								(19,994)				(1,000)	(23,415)
Concessions on general rates								0				0	(411)
Total amount raised from general rates								11,301,751				11,332,726	10,707,390
Ex-gratia Rates													
CBH			1	0	27,323	0	0	27,323	14,511	0	0	27,307	15,225
Sub-Total			1	0	27,323	0	0	27,323	14,511	0	0	27,307	15,225
Total amount raised from rates (excluding general rates)								27,323				27,307	15,225
(b) Total Rates								11,329,075				11,360,033	10,722,615

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

27. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	7/10/2022	0.0	0.00%	7.00%
Option Two				
First instalment	7/10/2022	0.0	0.00%	7.00%
Second instalment	7/02/2023	10.0	3.00%	7.00%
Option Three				
First instalment	7/10/2022	0.0	0.00%	7.00%
Second instalment	7/12/2022	10.0	3.00%	7.00%
Third instalment	7/02/2023	10.0	3.00%	7.00%
Fourth instalment	12/04/2023	10.0	3.00%	7.00%

	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
Interest on unpaid rates	139,015	145,000	143,471
Interest on instalment plan	21,479	20,000	19,674
Charges on instalment plan	32,400	38,000	32,710
	192,894	203,000	195,855

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

28. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(c) (60,913)	(54,645)	(487,502)
Less: Reversal of prior year loss on revaluation of fixed assets	0	0	91,084
Less: Movement in liabilities associated with restricted cash	(29,427)	0	(49,379)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(11,058)	0	(11,990)
Add: Loss on disposal of assets	10(c) 48,253	124,463	257,846
Add: Depreciation	10(a) 5,156,749	5,080,238	5,027,936
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	2,340	0	(50,311)
Employee benefit provisions	(34,371)	0	(28,478)
Non-cash amounts excluded from operating activities	5,071,573	5,150,056	4,749,206
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	30 (3,033,010)	(3,349,405)	(5,868,771)
Less: Financial assets at amortised cost - self supporting loans	4(a) (22,208)	0	(21,519)
Less: Community Advance	(6,000)	0	(6,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 463,054	464,582	368,947
- Budgeted leave cash backed	350,000	350,000	350,000
- Current portion of lease liabilities	11(b) 11,903	0	11,093
- Employee benefit provisions	796,705	796,875	826,135
Total adjustments to net current assets	(1,439,556)	(1,737,948)	(4,340,115)
Net current assets used in the Statement of Financial Activity			
Total current assets	16,125,310	6,350,739	13,365,803
Less: Total current liabilities	(5,218,851)	(4,612,791)	(5,391,294)
Less: Total adjustments to net current assets	(1,439,556)	(1,737,948)	(4,340,115)
Surplus or deficit after imposition of general rates	9,466,904	0	3,634,394

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal		Principal		Principal		Principal		Principal		
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture												
Loan 224 Recreation Facilities		719,785	0	(53,127)	666,658	0	(56,625)	610,033	666,659	0	(56,625)	610,035
Loan 228 Northam Aquatic Centre		4,217,783	0	(192,594)	4,025,189	0	(196,233)	3,828,956	4,025,187	0	(196,233)	3,828,954
Loan 227 Northam Youth Space		408,781	0	(47,170)	361,611	0	(48,242)	313,369	361,611	0	(48,242)	313,369
Covid-19 Response Loan		0	0	0	0	0	0	0	0	1,000,000	0	1,000,000
Economic services												
Loan 225 Victoria Oval		588,916	0	(43,467)	545,449	0	(46,329)	499,120	545,449	0	(46,329)	499,120
Transport												
229 Depot loan		0	0	0	0	1,700,000	0	1,700,000	0	1,700,000	(39,010)	1,660,990
Total		5,935,265	0	(336,358)	5,598,907	1,700,000	(347,429)	6,951,479	5,598,906	2,700,000	(386,439)	7,912,468
Self Supporting Loans												
Recreation and culture												
Loan 219A Northam Bowling Club		123,263	0	(20,851)	102,412	0	(21,519)	80,893	102,413	0	(21,518)	80,895
Total Self Supporting Loans		123,263	0	(20,851)	102,412	0	(21,519)	80,893	102,413	0	(21,518)	80,895
Total Borrowings	14	6,058,528	0	(357,209)	5,701,319	1,700,000	(368,948)	7,032,373	5,701,319	2,700,000	(407,957)	7,993,363

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2023	30 June 2023	30 June 2022
						\$	\$	\$
Recreation and culture								
Loan 224 Recreation Facilities		Recreation and culture	224	WATC*	6.48%	(46,213)	(46,964)	(50,077)
Loan 228 Northam Aquatic Centre		Recreation and culture	228	WATC*	1.88%	(100,889)	(102,932)	(105,912)
Loan 227 Northam Youth Space		Recreation and culture	227	WATC*	2.26%	(10,113)	(10,432)	(11,522)
Economic services								
Loan 225 Victoria Oval		Economic services	225	WATC*	6.48%	(37,810)	(38,424)	(40,973)
Transport								
229 Depot loan			229	WATC*	4.44%	(511)	(50,436)	0
Total						(195,535)	(249,188)	(208,484)
Self Supporting Loans Finance Cost Payments								
Recreation and culture								
Loan 219A Northam Bowling Club		Recreation and culture	219A	WATC*	3.18%	(3,708)	(3,877)	(4,525)
Total Self Supporting Loans Finance Cost Payments						(3,708)	(3,877)	(4,525)
Total Finance Cost Payments	2(b)					(199,243)	(253,065)	(213,009)

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

29. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
					\$	\$	\$	\$		
229 Depot loan	WATC*	Debenture	20	%	1,700,000	1,700,000	953,454	1,700,000	807,566	746,546
					1,700,000	1,700,000	953,454	1,700,000	807,566	746,546

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
			\$	\$	\$	\$
229 Depot loan	WATC*	29/06/2023	0	1,700,000	(953,454)	746,546
			0	1,700,000	(953,454)	746,546

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual						
		Principal			Principal			
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$
Photocopier		1,012	0	(1,012)	0	0	0	0
Village Green (new)		57,754	0	(8,102)	49,652	1,881	(11,431)	40,102
Total Lease Liabilities	11(b)	58,766	0	(9,114)	49,652	1,881	(11,431)	40,102

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	
Photocopier		Governance	1	Canon Finance	3.20%	0	4	5
Village Green (new)		Economic services	4	Malinowski Holdings Pty Ltd	3.20%	1,443	1,273	5
Total Interest Repayments	2(b)					1,443	1,277	

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

30 RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by council												
(a) Leave reserve	826,135	17,848	(47,278)	796,705	825,439	18,714	(47,278)	796,875	875,514	2,493	(51,872)	826,135
(b) Office Equipment Reserve	100,084	2,281	0	102,365	100,000	2,267	0	102,267	0	100,084	0	100,084
(c) Plant & Equipment Reserve	119,316	2,719	0	122,035	119,215	2,703	0	121,918	118,948	368	0	119,316
(d) Road & Bridgework Reserve	200,169	4,562	0	204,731	200,000	4,534	0	204,534	0	200,169	0	200,169
(e) Refuse Site Reserve	324,928	168,406	(200,000)	293,334	327,443	168,360	0	495,803	350,437	200,978	(226,487)	324,928
(f) Speedway Reserve	150,706	3,434	0	154,140	150,579	3,414	0	153,993	150,242	464	0	150,706
(g) Community Bus replacement Reser	100,184	2,281	0	102,465	100,100	2,269	0	102,369	0	100,184	0	100,184
(h) Septage Pond Reserve	283,147	28,248	(110,000)	201,395	282,908	28,208	0	311,116	268,140	15,007	0	283,147
(i) Killara Reserve	445,264	8,908	(54,384)	399,788	444,889	10,086	(54,384)	400,591	438,800	151,318	(144,854)	445,264
(j) Rec and Community Facilities Rese	143,129	85,449	0	228,578	143,009	85,502	0	228,511	0	143,129	0	143,129
(k) Council Buildings and Amenties Re	278,713	1,792	(200,000)	80,505	278,478	6,313	(200,000)	84,791	0	278,713	0	278,713
(l) Parking Facility Reserve(m)	100,084	2,281	0	102,365	100,000	2,267	0	102,267	0	100,084	0	100,084
Reticulation Scheme Reserve(n)	236,498	5,390	0	241,888	236,299	5,357	0	241,656	0	236,498	0	236,498
Revaluation Reserve(o)	2,656	60	0	2,716	2,654	60	0	2,714	72,491	165	(70,000)	2,656
COVID-19 Reserve(p) Unused	0	0	0	0	0	0	0	0	1,401,799	724,500	(2,126,299)	0
Grants Reserve	2,557,758	0	(2,557,758)	0	2,557,758	0	(2,557,758)	0	0	2,557,758	0	2,557,758
	5,868,771	333,659	(3,169,420)	3,033,010	5,868,771	340,054	(2,859,420)	3,349,405	3,676,371	4,811,912	(2,619,512)	5,868,771

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

**SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	For the provision for employees' future liability commitments i.e. Annual leave, long service requirements and negotiated gratuities and sickness payouts. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(b) Office Equipment Reserve	Ongoing	For the acquisition and upgrading of Council offices, furniture, computers and general equipment.
(c) Plant & Equipment Reserve	Ongoing	For the acquisition and upgrading of the Council works plant and general equipment in accordance with the plant replacement program. Funds are not expected to be used in a set period of time as further transfers to the reserve account are expected as funds are utilised.
(d) Road & Bridgework Reserve	Ongoing	For the provision of upgrading of road, drainage and bridge infrastructure within the Shire of Northam. Funds not expected to be used in a set period as further transfers to the reserve account are anticipated.
(e) Refuse Site Reserve	Ongoing	For the development of refuse sites and related expenditure on infrastructure and equipment, including the provision for a future replacement facility and /or site. Funds are not expected to be used in a set period as transfers to the reserve account are anticipated.
(f) Speedway Reserve	Ongoing	For the provision of funds for the possible future rehabilitation works required at the Northam Speedway site on Fox Road Northam. No date has been specified for the use of this reserve.
(g) Community Bus replacement Reserve	Ongoing	For the future replacement of the Shire of Northam Community Buses. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(h) Septage Pond Reserve	Ongoing	For the future upgrades and maintenance to septic ponds and related infrastructure. Funds are not anticipated to be used in the set period as further transfers to the reserve account are anticipated.
(i) Killara Reserve	Ongoing	To provide a reserve for surplus funds from Killara operations and restricted cash for any unspent Killara grants. No date has been specified for the use of this reserve.
(j) Rec and Community Facilities Reserve	Ongoing	For Recreation and Public facilities. 2% of the net rates levied each year are set aside for the provision of recreation and sporting facilities.
(k) Council Buildings and Amenities Reserve	Ongoing	For the maintenance and upgrading of Council buildings and amenities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(l) Parking Facility Reserve	Ongoing	For the provision of future car parking facilities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(m) Reticulation Scheme Reserve	Ongoing	Provision for future replacement/upgrading of water reuse and reticulation infrastructure. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(n) Revaluation Reserve	Ongoing	Provision for the 4 yearly revaluation of the Shires GRV properties.
(o) COVID-19 Reserve	Closed 30 June 2022	Response to the COVID-19 pandemic.
(p) Unused Grants Reserve	Ongoing	Holding grants that are not expected to be utilised in the current financial year

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

31. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Public Open Space Funds	230,761	0	(146,411)	84,350
	230,761	0	(146,411)	84,350



CLIENT NAME: SHIRE OF NORTHAM

YEAR END: 30 JUNE 2023

EXIT MEETING AGENDA

Date of Meeting: 11 December 2023

Time: 5:30 pm

Location: Northam Council Chambers
395 Fitzgerald Street

Attendees: Chris Antonio (Shire President)
Attila Mencshelyi (Councillor and Audit Committee Representative)
Hayden Appleton (Councillor and Audit Committee Representative)
Maria Girak (Councillor and Audit Committee Representative)
Debbie Terelinck (Chief Executive Officer)
Colin Young (Executive Manager Corporate Services)
Kudzai Matanga (Finance Manager)
Kunal Sarma (Business Solutions Coordinator)
Britt Hadlow (Governance Coordinator)
Tamika Van Beek (Governance Officer)
David Delvalle (OAG Assistant Director) – via Teams
Marius van der Merwe (Dry Kirkness Audit Director)

DISCUSSION POINTS

1.	INTRODUCTION
2.	EXECUTIVE SUMMARY
3.	INDEPENDENCE
4.	COMPLIANCE WITH LAWS AND REGULATIONS AND FRAUD
5.	KEY AUDIT MATTERS AND AUDIT OUTCOMES
6.	AUDIT MISSTATEMENTS
7.	AUDIT FINDINGS
8.	KEY CHANGES FOR NEXT YEAR



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Northam

To the Council of the Shire of Northam

Opinion

I have audited the financial report of the Shire of Northam (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Northam for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Nayna Raniga
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
Date December 2023

DRAFT

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
<u>Information system</u>					
1. IT governance, policies and procedures	No	✓			
2. Disaster recovery plan	No		✓		
3. Vulnerability Assessment and Penetration Testing (VAPT)	No		✓		
4. No multifactor authentication enabled on critical infrastructure	No	✓			
5. Active directory users	No	✓			
<u>Matters outstanding from prior audit</u>					
6. Excess annual leave balances	No		✓		✓
<u>Financial and management</u>					
7. Inadequate procurement processes	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. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

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.

The ratings included are preliminary ratings and could be modified pending other findings being identified, rated and the consideration of them collectively on the ratings and any potential impact on the audit opinion.

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. IT governance

The Shire currently possesses only an ICT Acceptable Use of ICT Resources Policy. While this existing policy addresses general ICT use, it lacks specific guidelines for crucial components like password management, logical access control, backup procedures, physical access control, patch management, vulnerability assessment, and IT asset management.

Rating: Significant

Implication

The inadequacy of the current policy exposes the Shire to increased risks of cybersecurity threats and vulnerabilities. Without specific guidelines and procedures in place for password management, access controls, data backup, and vulnerability assessments, Shire may face challenges in safeguarding sensitive information, maintaining data integrity, and ensuring the overall security of its ICT infrastructure. This could lead to potential data breaches, unauthorised access, and disruptions in business operations.

Recommendation

We recommend that management revise the existing ICT Acceptable Use of ICT Resources Policy by incorporating detailed sections covering password policies, logical access controls, backup procedures, physical access controls, patch management, vulnerability assessments, and IT asset management, or alternatively, develop a standalone Cybersecurity Policy that encompasses these elements.

Management comment

The current policy is being reviewed and a policy being developed to include password management, access controls, data back up and IT asset management. The policy is expected to be workshopped and presented to council by May 2024. Currently measures are being put in place to allow for such policies to be implemented i.e. ICT is deploying the multi factor authentication and movement from role based emails to name based emails for easier tracking and access controls.

Responsible person:

Colin Young, Executive Manager Corporate Services/ Kunal Sarma, Business Solutions Co-ordinator

Completion date: Date: May 2024

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Disaster recovery plan

Finding

The Shire last reviewed its Disaster Recovery Plan (DRP) in March 2020. Since then, the DRP has not been tested.

Rating: Moderate

Implication

Without revising and testing the DRP, the Shire is vulnerable to extended downtime, data loss, financial setbacks, and potential legal and regulatory consequences. These tests are essential safeguards for the Shire's resilience and continued success in the event of unforeseen disasters or disruptions.

Recommendation

We recommend that management revise and test their DRP plan periodically. The evaluation should identify critical systems and processes, minimum resources and response times needed to assure/resume operations.

Management comment

Currently being reviewed and testing to be done after presentation of the ICT backup and business continuity plan that presented for Council adoption by the Audit and Risk Committee scheduled on the 11th of December 2023

Responsible person:

Colin Young, Executive Manager Corporate Services/ Kunal Sarma, Business Solutions Co-ordinator

Completion date: Date March 2024

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

3. Vulnerability Assessment and Penetration Testing (VAPT)

Finding

During our testing on IT procedures, we noted that Vulnerability Assessment and Penetration Testing (VAPT) have not been performed as part of the cybersecurity risk assessment process.

Rating: Moderate

Implication

Failure to conduct Vulnerability Assessment and Penetration Testing (VAPT) leaves the Shire unaware of potential security vulnerabilities, increasing the risk of cyber-attacks and data breaches with potential consequential impact to operations.

Recommendation

We recommend that the Shire conduct regular Vulnerability Assessment and Penetration Testing (VAPT) to identify and address potential security vulnerabilities.

Management comment

This will be regularised as soon as a contractor can be appointed to carry out the testing after which the VAPT will be performed bi annually.

Responsible person:

Colin Young, Executive Manager Corporate Services/ Kunal Sarma, Business Solutions Co-ordinator

Completion date: Date February 2024

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

4. No multifactor authentication implemented on critical infrastructure

Finding

The Shire currently lacks the implementation of Multi-Factor Authentication (MFA), a critical security measure designed to enhance access controls and protect against unauthorised access attempts. The absence of MFA implies that the Shire's authentication relies solely on single-factor methods, typically a username and password combination. This traditional approach is susceptible to various security threats, such as brute force attacks, phishing, and password compromise, significantly increasing the risk of unauthorised access to sensitive information and potential data breaches.

Rating: Significant

Implication

The absence of Multi-Factor Authentication (MFA) in the Shire leaves the system vulnerable to unauthorised access attempts and potential data breaches. This single-factor authentication method exposes critical systems to increased risks, including password compromise, and phishing attacks, significantly amplifying the likelihood of unauthorised access to sensitive data and compromising the overall security posture of the Shire.

Recommendation

We recommend that management implement a multi-layered authentication process requiring at least two forms of verification. This will enhance access controls, mitigating the vulnerabilities associated with single-factor authentication. Simultaneously, instituting comprehensive user training on MFA importance, conducting routine security audits, and ensuring compliance with regulatory standards will improve the Shire's IT security, reducing the likelihood of successful unauthorised access and potential data breaches.

Management comment

MFA currently being deployed across the organisation and will be rolled out for all employees by 31 January 2024

Responsible person: Kunal Surma, Business Solutions Co-ordinator
Completion date: January 2024

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

5. Active directory users

Finding

Active Directory(AD) is a directory service that stores and organises information about network resources, including users, computers, groups, and more. AD provides a centralised authentication and authorisation mechanism, allowing administrators to manage and secure network resources efficiently. AD is used for single sign-on (SSO) to enable user access to Office 365, Synergy Soft, and other applications. During our review of Active Directory, we noted the following issues:

- One staff member who resigned retained access to Shire Active Directory Services for two months after her resignation on 27 July 2023. She remained active until 28 September 2023, allowing unauthorised access to Office 365 and Synergy Soft. Additionally, when testing users in Synergy Soft, out of five resigned staff tested, four users still have access to Synergy Soft, highlighting a control weakness in both Active Directory and Synergy Soft.
- There are 20 users in Active Directory who have not logged in for more than a year, yet they remain active. This poses a security risk, as a compromised user account in AD could potentially expose confidential information of Shire. The list of these 20 users excludes service accounts.
- There are generic users in Active Directory, and it is necessary to document these users along with the business reasons for providing access to them.

Rating: Significant

Implications

- Unauthorised access to Shire Active Directory Services and Synergy Soft by resigned staff may lead to potential security breaches, compromising sensitive information.
- Active user accounts not accessed for over a year pose a security risk, as compromised accounts could be exploited to access confidential data.
- Lack of documentation for generic users raises concerns about accountability and proper authorisation, potentially leading to security vulnerabilities.

Recommendations

We recommend that management:

- immediately revoke access for resigned staff in Shire Active Directory Services to prevent unauthorised usage. Additionally, conduct a thorough review of users in Synergy Soft to ensure that only the updated user information is recorded in the system.
- regularly review and update user accounts to deactivate those that have not been accessed for more than a year, excluding necessary service accounts.
- document and justify the existence of generic users in Active Directory, ensuring proper access controls are in place. Conduct periodic reviews to confirm the ongoing necessity of these accounts.
- implement an access management policy to proactively address and prevent similar issues in the future. Regularly audit and update access permissions based on staff changes and business requirements.

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Management comment

- *In one instance access was not revoked until a month after the resignation. This was later picked up and access was revoked immediately.*
- *IT currently reviews accounts and licenses every quarter and cleans up by deactivating and deleting accounts in synergy and AD.*
- *The 20 active users are depot maintenance staff who do not log in to computer system but have an account and email set up. These are regularly updated as per above point.*
- *Generic users' will be documented and a justification for the account will be added i.e. the need for an IT helpdesk account. These generic user accounts are currently periodically reviewed as per above point two.*
- *Access management policy being presented in the ICT policy document and access permissions are regularly reviewed and updated as per point two.*

Responsible person:

Colin Young Executive Manager Corporate Services/ Kunal Surma Business Solutions Co-ordinator

Completion date: Date 30 March 2024

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

6. Excessive annual leave balances

Finding

During our testing of employee entitlement provisions we noted that 11 employees had significant annual leave balances accrued.

The Local Government Industry Award 2020 deems an employee's annual leave accrual to be excessive if the employee has accrued an entitlement in excess of 8 weeks. Assuming a standard working week at 38 hours this would equate to balances in excess of 304 hours.

We noted 1 employee with an accrual of over 600 hours, 5 employees with over 400 hours accrued and 5 employees with over 300 hours accrued.

Rating: Moderate

Implication

Excessive annual leave balances may have adverse effects on the Shire, including:

- unbudgeted cash outflows may be required in the future if leave entitlements are required to be paid out
- health and safety concerns when employees are not taking breaks and using their leave entitlements
- it is a good and important internal control against fraud for all employees to take regular leave.

Recommendation

While we accept the practicalities associated with recruitment we recommend that management:

- actively establish leave management plans for all employees with excessive leave balances to encourage employees to take leave
- continue to monitor employee leave balances to ensure leave balances are cleared in accordance with the Shire's policy.

Management comment

- *letters are written out annually detailing the leave hours applicable for employees who have accrued entitlements in excess of 8 weeks recommending the employees to take leave or put a leave plan in place.*
- *Three of the five employees with over 400 hours have since reduced their leave to under 400 hours.*

Responsible person: Kudzai Matanga Finance Manger
Completion date: Date Ongoing

ATTACHMENT

SHIRE OF NORTHAM

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

7. Inadequate procurement practices

Finding

We found that 1 item out of a sample of 60 purchases tested was made without the approved purchase order. The purchase order was subsequently raised after the receipt of the supplier invoice. This is not in compliance with the Shire's Purchasing Policy.

Rating: Moderate

Implication

Ordering goods and services without approved purchase orders increased the risk of fraud and inappropriate purchases being committed by the Shire.

The Shire has not adhered to the Purchasing Policy and as a result may commit to expenditure, which has not been appropriately procured by management, in line with the budget representing a competitive price and value for money to the Shire. This may potentially result in financial loss to the Shire.

Recommendation

We recommend that management:

- remind employees to adhere to the Shire's Purchasing Policy and ensure approved purchase orders are in place prior to ordering goods and services
- ensure the necessary quotations are obtained before a decision is made to contract a supplier to ensure that a competitive price representing value for money is obtained.

Management comment

Staff have been reminded through their executive managers to ensure all departmental procurements have purchase orders in place, an internal audit is carried out monthly to ensure purchases comply with the Shires purchasing policy, if a purchase does not apply with the policy the employee is notified and reminded of the procedure. In this instance the purchase order was for an annual subscription which should have been done by a cheque requisition as the date of the invoice being raised would not have been known.

Responsible person: Kudzai Matanga, Finance Manger

Completion date: Date Ongoing



Our Ref: File 8.2.7.1
Your Ref:

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Dear Ms Spencer

REPRESENTATION LETTER IN RESPECT OF THE SHIRE OF NORTHAM'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

This representation letter is provided in connection with your audit of the Shire of Northam's annual financial report for the year ended 30 June 2023 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2023 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. GENERAL

- (a) We have fulfilled our responsibilities for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) With the exception of the GST balances within the statement of cash flows the prior period comparative information in the financial report has not been restated.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.
- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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- (g) We have provided your auditors with
- (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
 - (ii) Additional information that your auditors have requested for the purpose of the audit.
 - (iii) Unrestricted access to staff and councillors of the Shire of Northam from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations, and all known data or security breaches whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the Shire involving:
 - (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) othershave occurred to the knowledge of management of the Shire.
- (m) To our knowledge no allegations of fraud or suspected fraud affecting the Shire of Northam's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each revalued physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions, used by management in determining fair values are appropriate and have been consistently applied.

Page 2 of 5



We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. GOING CONCERN

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. CONTINGENT LIABILITIES

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

6. CONTAMINATED SITES

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the Shire that is known to be, or is suspected of being, contaminated. All provisions or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. RELATED ENTITIES

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to you if any of the Shire's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2023.

8. RELATED PARTIES

We have disclosed to your auditors the identity of the Shire of Northam's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the Shire's key management personnel and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. KEY MANAGEMENT PERSONNEL COMPENSATION

We confirm the Shire's key management personnel have not received any other money, consideration or in-kind benefit (except amounts being reimbursements for out-of-pocket



expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. SUBSEQUENT EVENTS

No matters or occurrences have come to our attention between the date of the financial report and the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the Shire.

11. INTERNAL CONTROL

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. INSURANCE

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. RISK MANAGEMENT

We confirm that we have established and maintained a risk management framework that is appropriate to the Shire.

15. ACCOUNTING MISSTATEMENTS

There were no uncorrected misstatements in the financial report.

16. ELECTRONIC PRESENTATION OF THE AUDITED ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the Shire's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of Shire's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

17. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.



Executive Manager Corporate Services

NAME: Colin Young

11/12/2023
Date

Chief Executive Officer

NAME: Debbie Terelink

11/12/2023
Date



DRY / KIRKNESS

Annual Audit Completion Report

Accounting
Business Advisory
Audit Services



OAG
Office of the Auditor General
Serving the Public Interest



DRY / KIRKNESS

Shire of Northam

30 June 2023

Accounting
Business Advisory
Audit Services

OAG
Office of the Auditor General
Serving the Public Interest

Introduction



FROM OUR ENGAGEMENT PARTNER

Shire of Northam for the year ended 30 June 2023

We would like to take this opportunity to thank the management team for their assistance during the audit process. If you have any queries on the report, please feel free to contact me.

MARIUS VAN DER MERWE DIRECTOR

B.Com (Hons) CA
mvdm@drykirkness.com.au

DAVID DELVALLE ASSISTANT DIRECTOR

OAG Representative
David.Delvalle@audit.wa.gov.au

Executive Summary

- + Butler Settineri (Audit) Pty Ltd was appointed as the contract auditor by the Office of the Auditor General for the years ended 30 June 2021, 2022 and ending 2023 and have changed names to Dry Kirkness (Audit) Pty Ltd on 1 July 2022.
- + Dry Kirkness (Audit) Pty Ltd has completed the external statutory audit for the year ended 30 June 2023 as contract auditor on behalf of the Office of the Auditor General.
- + No unresolved issues.
- + Our findings are included in this report.
- + We intend to recommend to the Auditor General to issue an unqualified audit opinion in relation to the financial statements.
- + There are no outstanding matters.
- + We noted that your certified draft financial report was provided on 21 Sept 2023 and was audit ready. This detail will be included in the OAG's Local Government results report to be tabled in Parliament. Audit ready means having full and complete financial statements (including disclosure notes).

Independence

We are independent of the Shire in accordance with the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants.

Threats to independence include the following:

- + Self Interest Threats
- + Self Review Threats
- + Advocacy Threats
- + Familiarity Threats
- + Intimidation Threats

What we do to remain independent:

- + All team members sign an independence declaration at the commencement of the audit;
- + We monitor our individual independence throughout the audit;
- + All team members sign off an independence declaration at the completion of the audit.

Compliance With Laws & Regulations & Fraud

Laws and Regulations applicable to the Shire include the following:

- + Local Government Act 1995;
- + Local Government (Financial Management) Regulations 1996;
- + Local Government (Audit) Regulations 1996;
- + Australian Tax Office (GST / FBT / PAYG) Compliance;
- + Compliance with conditions of program funding arrangements.

During the audit process there have been:

- + Non-compliance issues reported in the audit findings where applicable.
- + No findings or indications of suspected fraud.

As far as the external audit relates to the matters noted above.



Key Audit Matters and Audit Outcomes

During the planning phase of the audit, we identified the following issues and key areas of audit risk.

Details of Risk / Issue	Audit Approach
<p>Audit findings reported in the previous audit:</p> <ul style="list-style-type: none"> + Fair value of infrastructure assets – frequency of valuations + Journal entries not independently approved + Excessive annual leave balances 	<p>We followed up on last year’s audit issues during the audit. Certain issues remain as detailed under Audit Findings.</p>
<p>Changes to Local Government (Financial Management) Regulations that have been published by the Department of Local Government, Sport and Cultural Industries (DLGSCI):</p> <ul style="list-style-type: none"> • DLGSCI published new templates for larger and smaller local government entities. Smaller local governments have more streamlined standard financial statements, reflecting the generally less complex operations of smaller local governments. 	<p>Upon communication of changes to the Local Government (Financial Management) Regulations 1996 by DLGSCI for 2022-23, we ensured management has used the appropriate Model Financial Statements for 2022-23 which has reduced financial reporting requirements. We are satisfied that the financial report has been disclosed appropriately.</p>

Details of Risk / Issue	Audit Approach
<p>We identified the following areas that we consider require additional focus during our 2022-23 local government audits:</p> <ul style="list-style-type: none"> + Revenue recognition, including contract liabilities + Unauthorised expenditure + Unrecorded liabilities and expenses + Fictitious employees + Revaluation of Infrastructure assets (last revalued in 2017-18) + Related party disclosures + Joint arrangement disclosures + Contingent liabilities disclosures + Restricted reserve accounts 	<p>We reviewed the accounting treatment and disclosure processes during our interim and final audits. We also ensured the disclosures in the annual financial report are appropriate, and have complied with the requirements of the Australian accounting standards.</p> <p>For asset revaluation, we obtained both the internal valuation report for roads, footpaths and drainage as well as the external valuation report for other infrastructure asset categories and reviewed the appropriateness of the main assumptions, valuation techniques and unobservable inputs used. We also reviewed the fair value assessment performed by management for assets that were not revalued in 2022-23. We are satisfied that the Shire's assets have been reflected appropriately at fair value at 30 June 2023.</p> <p>For related party disclosures, we made enquiries to understand the process for identification of related parties, reviewed the signed related party transaction declarations from key management personnel (both current and departed), and confirmed that the disclosures made in the notes to the annual financial report are appropriate.</p> <p>For joint arrangement disclosures we made enquiries to determine whether there were any new arrangements entered into during the year and assessed the disclosures made in the annual financial report.</p> <p>For contingent liabilities disclosures, the Shire had listed two sites to be a possible source of contamination, which has been disclosed as a contingent liability in the financial report. We made enquiries of management to determine whether any other contingent liabilities existed at the reporting date and we are satisfied with the contingent liability disclosure in the financial report.</p> <p>For restricted reserve accounts, we reviewed the movements within the restricted reserve accounts, and ensured that transfers out of reserves were used in accordance with the intended purpose of the respective reserve and agreed the transfer to supporting documentation.</p>

Details of Risk / Issue	Audit Approach
<p>The following annual financial report items are derived from accounting estimates and hence have received specific audit attention:</p> <ul style="list-style-type: none"> + Fair value of PPE and Infrastructure <ul style="list-style-type: none"> o PPE last revalued in 2021-22 o Infrastructure revalued in 2022-23 + Impairment of assets + Provision for annual and long service leave + Provision for rehabilitation of waste disposal sites (if any, at year end) 	<p>We reviewed the methodology and underlying data that management used when determining critical accounting estimates. We confirmed the reasonableness of the assumptions and corroborating representations.</p>
<p>IT Environment & Controls</p> <p>ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement</i> is a new Australian auditing standard that impacted your Shire for the first time this year. ASA 315 requires the auditor to obtain an understanding of the IT environment and system of controls at the application level, which support the preparation of the financial report, as part of risk identification and assessment.</p>	<p>We have addressed the requirements of ASA 315. We issued our IT Checklist to the Shire and reviewed their responses to ensure the Shire's information system is relevant to the preparation of the financial report. We also identified IT controls which address significant risks of material misstatement in the IT environment such as controls over Journal Entries and tested those controls. We are satisfied that we did not identify any significant vulnerabilities at the application level that impacted on the preparation of financial report.</p>
<p>Important changes in management or the control environment</p>	<p>None noted during the financial year but change of CEO since the end of the year. Jason Whiteaker ceased as CEO as of 3 September 2023 Chadd Hunt was Acting CEO from 4 September to 15 October 2023 Debbie Terelincq assumed the role as CEO effective from 16 October 2023</p>

Audit Misstatements

The following misstatements were adjusted by management:

<i>Financial Statement Line Items</i>	<i>Adjustment</i>
Cash and cash equivalents	\$(3,236,743)
Other financial assets	\$3,236,743
<i>To reclassify term deposits with terms of more than 3 months in accordance with the Shire's policy</i>	
Infrastructure – roads (pavement)	\$42,600,632
Revaluation surplus	\$(42,600,632)
<i>To revise the depreciated replacement cost of the pavement component of roads after an error was noted within the Shire's RAMS system</i>	

There were no uncorrected misstatements remaining after the above audit adjustments were made.

Audit Findings

Per the Interim Management Letter:

No interim management letter was issued.

Per the Final Management Letter:

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. IT governance, policies and procedures	No	✓			
2. Disaster recovery plan	No		✓		
3. Vulnerability Assessment and Penetration Testing (VAPT)	No		✓		
4. No multifactor authentication enabled on critical infrastructure	No	✓			
5. Active directory users	No	✓			
6. Excess annual leave balances	No		✓		✓
7. Inadequate procurement processes	No		✓		

Key Changes For Next Year

Changes in LG Regulations

- + An update on recent changes to the Local Government Act and Regulations, as part of the Local Government Reform, is available on the DLGSCI website ([Local government reform | DLGSCI](#)).

One of the changes that impact the 2023-24 financial reporting included changes to the *Local Government (Financial Management) Regulations 1996*, where Regulation 17A has been amended to require local governments to revalue their land, buildings and infrastructure assets every 5 years from the asset's last valuation date. The change removed the previous requirement for local governments to revalue their assets whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount.

Accounting Issues for 2023

- + *Changes to Local Government (Financial Management) Regulations affected after 30 June 2023 no longer require a fair value assessment of PPE and Infrastructure assets at each reporting date.*
- + We are not aware of any new Australian Accounting Standards (AAS) or significant changes to existing AAS that will impact 2023-24. If we are aware of any new updates down the line, we will communicate them with you.

Thank You

We would like to take this opportunity to once again thank the management team for their assistance during the audit process, in particular we would like to thank Colin Young, Kudzai Matanga and the finance team for their support.





Accounting
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7.3 Shire of Northam Annual Electors General Meeting 2022/23

File Reference:	8.2.7.1
Reporting Officer:	Tamika Van Beek (Governance Officer)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil.
Voting Requirement:	Simple Majority
Press release to be issued:	Public Notice

BRIEF

For Council to consider and endorse the date for the 2022/23 Annual Electors General Meeting.

ATTACHMENTS

Nil

A. BACKGROUND / DETAILS

The Annual Electors General Meeting is to be held within 56 days of the local government accepting the Annual Report.

A requirement of setting the date is that 14 days local public notice is required for advertising the meeting. Subject to the Annual Report being endorsed at the Ordinary Council Meeting on 20 December 2023, it is recommended that the 2022/23 Annual General Meeting be held prior to the Ordinary Council Meeting scheduled for 24 January 2024.

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 12.1.1: Provide the community with an annual explanation of the Shire's short and long term financial commitments and overall financial health.

Performance Area: Performance.

Outcome 13: A well informed and engaged community.

Objective 13.2: Engage the community about Shire projects, activities and decisions in a timely, open and effective manner.

Priority Action: Nil.

B.2 Financial / Resource Implications

Nil.

B.3 Legislative Compliance

Local Government Act 1995 Section 5.27 Electors' general meetings;

(1) A general meeting of the electors of a district is to be held once every financial year.

(2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

(3) The matters to be discussed at general electors' meetings are to be those prescribed.

Local Government (Administration) Regulation No 15 Matters for discussion at general electors' meetings - s. 5.27(3);

For the purposes of section 5.27(3), the matters to be discussed at a general electors' meeting are, firstly, the contents of the annual report for the previous financial year and then any other general business.

Local Government Act 1995 Section 5.29 Convening Electors' Meetings;

- 1) The CEO is to convene an electors' meeting by giving –
 - a) at least 14 days' local public notice; and
 - b) each council member at least 14 days' notice of the date,
 - c) time, place and purpose of the meeting.
- 2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time the notice is first given and is to continue in the prescribed way until the meeting has been held.
- 3)

B.4 Policy Implications

Nil.

B.5 Stakeholder Engagement / Consultation

Subject to the 2022/23 Annual Report being endorsed at the Ordinary Council Meeting on 20 December 2023, it is intended that public notice will be placed in the Shire of Northam Newsletter by 22 December 2023. Notices will also be placed on our Notice Boards, Facebook and the Shire's website.

B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	N/A	N/A	N/A
Service Interruption	N/A	N/A	N/A
Compliance	An Annual Electors Meeting is not held once each financial year and not more than 56 days after the local government accepts the annual report. Public Notice is not given in accordance with legislative requirements.	Insignificant (1) x Possible (3) = Low (3)	Council has a documented process for developing the Annual Report. This process includes the requirements associated with the Annual Electors Meetings.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

B.7 Natural Environment Considerations

Nil.

C. OFFICER'S COMMENT

Council is requested to endorse the date proposed, in accordance with the *Local Government Act 1995*, for the Annual Electors Meeting.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.268

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

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

- 1. That Council holds the Annual Electors General Meeting on Wednesday, 24 January 2024 at 5:00pm at the Shire Administration Centre and authorise the Chief Executive Officer to give public notice of the meeting from Friday 22 December 2023.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

7.4 Monthly Compliance Report (August - October 2023)

File Reference:	1.6.1.6
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

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

ATTACHMENTS

1. Compliance Audit August - October 2023 [7.4.1 - 7 pages]
2. Procurement Audit August - October 2023 [7.4.2 - 3 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 a monthly Compliance Calendar 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 maintain a Compliance Calendar, 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

The Shire of Northam Fraud & Corruption Control Plan risk treatments which do not have a rating of high or extreme were incorporated into the compliance audit on a rotational cycle, however, it was discovered that some items in the Fraud & Corruption Control Plan were being audited as part of daily operations within Corporate Services.

The CEO, EMCS and Governance Coordinator are currently working on the key items within the Fraud & Corruption Control Plan to determine what is required to be audited and provided at Council level.

Risk ratings of high or extreme are captured on the Shire of Northam Risk Register in accordance with policy G 1.8 Risk Management which is reported to the committee in a separate report.

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	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 Compliance Calendar 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 Compliance Calendar is a random audit of creditors to ensure compliance with the Shire's purchasing policy and the requirements of the *Local Government Act 1995*.

A summary of the compliance reports are provided below:

Audit	Audit Month	Percentage Compliant	Non-Compliances
Compliance Audit	August	93%	<ul style="list-style-type: none"> • 3x delegated power or duties not included in delegation register. • Information not sent to Valuer General by the 14th of the month. • BFAC confirmed minutes not listed (06/12/2022) • Community Safety Committee Minutes were posted on website later than seven days. • 95% compliance – Procurement Audit.
	September	94%	<ul style="list-style-type: none"> • 3x delegated power or duties not included in delegation register. • CEO did not provide to candidates of elections gift disclosure obligations in writing. • Building Construction Training Fund Levy –

			Payment was not made by the 10th day of the month. <ul style="list-style-type: none"> • BFAC confirmed minutes not listed (06/12/2022). • 90% compliance – Procurement Audit.
	October	95%	<ul style="list-style-type: none"> • 2x delegated power or duties not included in delegation register. • Building Services Levy - Payment was not made by 14th day of the month. • Building Construction Training Fund Levy – Payment was not made by the 10th day of the month. • BFAC confirmed minutes not listed (06/12/2022).
Procurement Audit	August	95%	<ul style="list-style-type: none"> • PO dated after the invoice issue date.
	September	90%	<ul style="list-style-type: none"> • PO dated after the invoice issue date & no file note was included.
	October	100%	Nil.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.269

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

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

- 1. That Council receives the November 2023 update as provided in the Monthly Compliance Report.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

The Governance Officer left the meeting at 5:52pm and returned at 5:53pm.

Clarification was sought in relation to:

- In the delegation register, the same three delegations are being picked up each month, why is this?

The Governance Coordinator advised that they were not entered in time for the when the audit was completed. This relates to a need to educate staff to get tasks completed by the required deadlines. The Chief Executive Officer advised that when the non-compliances are identified through the monthly process, the delegations are added to the delegations register at that time.

- Are they the same items being picked up every month?

The Governance Coordinator advised that they are different items but they fall under the same categories.

The Governance Coordinator mention that in regards to one of the items that is reported by Building Services where in the report is historically being entered late, in a previous Audit & Risk Management Committee meeting it was agreed to change the reporting parameter from the 14th day of the month to 14 days from the invoice date. The Governance Coordinator noted that we can not make this change as the legislation states otherwise.

- The amount shown on the purchase order for DMC Cleaning is considerably high, is this an error?

The Governance Coordinator advised that the purchase order would be for the annual fee.

Compliance Audit: August - October 2023									
Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Code of Conduct	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website	Local Government Act 1995 s5.104(7)	Monthly	Yes		Yes		Yes	
Code of Conduct	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government in accordance with section 5.51A(1) of the Local Government Act 1995	Local Government Act 1995 s5.51A(1) & (3)	Monthly	Yes	Approved by CEO on 29 December 2021.	Yes	Approved by CEO on 29 December 2021.	Yes	
Commercial Enterprises by Local Governments	Has the local government prepared a business plan for each major trading undertaking that was not exempt?	Local Government Act 1995 s3.59(2)(a) F&G Regs 7.9,10	Monthly	Not applicable		Not applicable		Not applicable	
Commercial Enterprises by Local Governments	Has the local government prepared a business plan for each major land transaction that was not exempt	Local Government Act 1995 s3.59(2)(b) F&G Regs 7.8A, 8, 10	Monthly	Not applicable		Not applicable		Not applicable	
Commercial Enterprises by Local Governments	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction	Local Government Act 1995 s3.59(2)(c) F&G Regs 7.8A, 8,10	Monthly	Not applicable		Not applicable		Not applicable	
Commercial Enterprises by Local Governments	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction	Local Government Act 1995 s3.59(4)	Monthly	Not applicable		Not applicable		Not applicable	
Commercial Enterprises by Local Governments	Did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority	Local Government Act 1995 s3.59(5)	Monthly	Not applicable		Not applicable		Not applicable	
Delegation of Power / Duty	Were all decisions by the council to amend or revoke a delegation made by absolute majority	Local Government Act 1995 s5.16(3)(b) & s5.45(1)(b)	Monthly	Not applicable		Not applicable		Not applicable	
Delegation of Power / Duty	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, Regulation 19. Was the Delegated Authority Register updated?	Local Government Act 1995 s5.46(3) Admin Reg 19	Monthly	No	- E01 not updated with a road closure at the entrance Northam Recreation Centre, Peel Terrace which was advertised on 28/08/2023. - E02 not updated with a road closure relating to the Northam Festival of Ballooning which was advertised on 29/08/2023. - E04 not updated with crossover approvals O82058 and O81814.	No	A01 - Exercised Delegation not included Hangar 27 Deed of Assignment. E04 - Exercised Delegation not included Cross over application for 54856 Fairway Bend F04 - Exercised Delegation not included Advertisement of RFQ 04 of 2023 - Disposal of Land by Lease - A portion of Killara Adult Day Care and Respite Centre	No	E04 - Exercised Delegation not included - Vehicle crossover construction at 60 Bodeguero Way P03 - Incorrect staff member entered into register (without DA authority) Delegate Approved - 4 x Sea Containers for Storage - A16147
Disclosure of Interest	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter	Local Government Act 1995 s5.67	Monthly	Not applicable	Nil disclosures made by Councillors to this nature.	Not applicable	Nil received.	Not applicable	
Disclosure of Interest	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting	Local Government Act 1995 s5.68(2) & s5.69(5) Admin Reg 21A	Monthly	Not applicable		Not applicable	Nil received.	Not applicable	
Disclosure of Interest	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made	Local Government Act 1995 s5.73	Monthly	Yes		Yes		Yes	
Disclosure of Interest	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report	Local Government Act 1995 s5.70(2) & (3)	Monthly	Yes		Yes		Yes	
Disclosure of Interest	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application	Local Government Act 1995 s5.71A & s5.71B(5)	Monthly	Not applicable		Not applicable		Not applicable	
Disclosure of Interest	Was any decision made by the Minister under subsection 5.71B(6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered	Local Government Act 1995 s5.71B(6) & s5.71B(7)	Monthly	Not applicable		Not applicable		Not applicable	

Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Disclosure of Interest	Where an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty. In the case of the CEO, the interest must be disclosed to the President. In the case of all other employees, the interest must be disclosed to the CEO. Risk areas identified include: - Debt write off - Grant applications & use - Granting of subsidies & waivers - Granting of concessions & other relief - Tendering - Purchasing - Development approvals - Building approvals - Recruitment - Disposal of property, including leasing	Local Government Act 1995 s.5.71 Fraud and Corruption Control Plan, action item from the 2022 Regulation 17 review.	Monthly	Not applicable	Nil identified	Not applicable	Nil identified.	Not applicable	
Disposal of Property	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)	Local Government Act 1995 s3.58(3)	Monthly	Yes	One disposal occurred relating to the assignment of Hangar 1 however this is an exempt disposition under 3.58(5) due to the disposal relating to recreational purposes where the lessee does not receive any benefit.	Yes	Hangar 27 - advertised 16/08/2023	Not applicable	Nil disposed of
Disposal of Property	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property	Local Government Act 1995 s3.58(4)	Monthly	Not applicable		Not applicable		Not applicable	
Elections	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997	Local Government Act 1995 Elect Regs 30G(1) & (2)	September			Yes			
Elections	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997	Local Government Act 1995 Elect Regs 30G(5) & (6)	September			Yes			
Elections	Statewide Public Notice Enrolment Eligibility Claims - CEO to give notice of the closing date and time for elector enrolments. (to be given 70th to 56th days)	Local Government Act 1995 s.4.39(2)	August	Yes	8 August 2023 https://www.northam.wa.gov.au/publicnotices/close-of-enrolments-local-government-ordinary-election-2023/288				
Elections	CEO to advise Electoral Commissioner of the need to prepare an updated residents roll Due by 56th day before Election Day	Local Government Act 1995 s.4.40(1)	August						
Elections	Statewide Public Notice Call for Nominations - from 56 days and no later than 45th day before Election Day	Local Government Act 1995 s.4.40(1)	August	Yes	23 August 2023 https://www.northam.wa.gov.au/publicnotices/call-for-nominations-local-government-ordinary-elections-2023/295				
Elections	Close of Rolls at 5pm on 50th day before Election Day. Enrolment eligibility claims received by 5pm can continue to be processed with a decision on eligibility required for inclusion in the Owners and Occupiers Roll, as appropriate before it is certified by the CEO on the 36th day before Election Day [refer s.4.4(1)]	Local Government Act 1995 s.4.39(1)	August	Yes	Nil submissions received.				
Elections	Decision to reject or accept enrolment claim to be provided to claimant without delay	Local Government Act 1995 s. 4.33 LG Election Regs Form 3 & 4	August	Not applicable	Nil submissions received.				
Elections	Elections - Statewide Public Notice Call for Nominations - no later than 45th day before Election Day	Local Government Act 1995 s.4.47(1)	September			Yes			
Elections	Nominations Close at 4pm on (37th day before Election Day)	Local Government Act 1995 s.4.49(a)	September			Yes			
Elections	Declarations of Office for new Elected Members elected unopposed (due 2 months from declaration of result - close of nominations 37th day before Election Day)	Local Government Act 1995 s.2.29 (6.2.32(c))	September			Not applicable	Election went to vote.		


Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Elections	Candidate / Donor Gift Disclosures - CEO written advice to Candidates of Elections Gift Disclosure obligations.	Local Government Act 1995 s.4.59 Elections Regs Part 5A Form 9A	September			No	CEO did not provide to candidates of elections gift disclosure obligations in writing		
Elections	Residents Roll to be prepared by Electoral Commissioner and forwarded to CEO - Due by 36th day before Election Day	Local Government Act 1995 s.4.40(2)	September			Yes			
Elections	Owners and Occupiers Roll to be prepared and certified by CEO Due by 36th day before Election Day	Local Government Act 1995 s.4.41(1)	September			Yes			
Elections	Statewide Public Notice of Election Day by Returning Officer - between 36th and 19th day before Election Day	Local Government Act 1995 s.4.64(1)	September			Yes			
Elections	Consolidated Roll (Resident / Owners and Occupiers) at Returning Officer's discretion, to be completed by (22nd day before Election Day)	Local Government Act 1995 s.4.38(1) Elections Reg.18	September			Yes			
Elections	Supply of Rolls - CEO to provide Returning Officer with sufficient rolls and copies to be provided free of charge to candidates and Elected Members who ask	Local Government Act 1995 s.4.42	September			Yes			
Elections	Declarations of Office for new Elected Members, Shire President / Mayor and Deputy Shire President / Mayor sworn in following Election Day (2 months from declaration of result - s.2.32(c))	Local Government Act 1995 s.2.29	October					Yes	25 October 2023 Special Council Meeting.
Elections	Report to Minister (by 14th day after election)	Local Government Act 1995 s.4.79 Elections Reg.81	October					Yes	Attached
Elections	Primary Returns - Request new Elected Members - required to be lodged with CEO within 3 months of making Declarations of Office	Local Government Act 1995 s.5.75(1)	October					Yes	PR & RPD have been issued, waiting on them being returned
Elections	Election of Deputy President - elected from amongst the Councillors - conducted in accordance with Schedule 2.3, Div.1	Local Government Act 1995 s.2.11(1)(b) Schedule 2.3.Div.1	October					Yes	
Elections	Elected Member Induction - Provide an induction for newly elected Councillors.	N/A	October					Yes	25 October 2023 before SCM
Elections	Election Papers - election of Shire President / Mayor, Deputy President / Mayor and Committee Presiding Members and deputies - Election Papers collected and secured in parcels	Local Government Act 1995 s.4.84(a) Elections Reg.82	October					Yes	Committee Presiding Members are yet to be determined
Finance	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995	Local Government Act 1995 s7.1A	October					Yes	
Finance	Was a statement of financial activity reporting on the revenue and expenditure as set out in the annual budget under FM.Reg.22(1)(d) presented at an Ordinary Council meeting within 2-months after the end of the month to which the statement relates.	Local Government Act 1995 s.6.4 FM.Reg.34	Monthly	Yes	Financial Statement for July going to September OCM.	Yes		Yes	
Finance	During period 1 June to 31 August, Local Government is to prepare and adopt, by absolute majority, an Annual Budget for the next financial year.	Local Government Act 1995 s.6.2(1)	August	Yes	Adopted OCM 9 August 2023 C.4824				
Finance	By 30 September, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June	Local Government Act 1995 s6.4(3)	September			Yes	Submitted 22/09/2023 - O82908		
Finance	A copy of the annual budget and minutes of the meeting at which the budget was adopted must be submitted to the Department of Local Government, Sport and Cultural Industries within 14 days from budget adoption.	Local Government Act 1995 FM.Reg.33	August	Yes					
Gifts	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government (Administration) Regulations 1996, regulation 28A	Local Government Act 1995 s5.89A(1), (2) & (3) Admin Reg 28A	Monthly	Yes	https://www.northam.wa.gov.au/register/gifts	Yes		Yes	
Gifts	Did the CEO publish an up-to-date version of the gift register on the local government's website	Local Government Act 1995 s5.89A(5) & (5A)	Monthly	Yes		Yes	https://www.northam.wa.gov.au/register/gifts	Yes	
Gifts	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people	Local Government Act 1995 s5.89A(6)	Monthly	Not applicable	Nil required to be removed	Not applicable	Nil required to be removed	Not applicable	
Gifts	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure	Local Government Act 1995 s5.89A(7)	Monthly	Yes		Yes		Not applicable	
Gifts	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act	Local Government Act 1995 s5.87C	Monthly	Not applicable		Not applicable		Not applicable	

Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Local Government Employees	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A	Local Government Act 1995 s5.36(4) & s5.37(3) Admin Reg 18A	Monthly	Not applicable		Not applicable		Not applicable	
Local Government Employees	Was all information provided in applications for the position of CEO true and accurate	Local Government Act 1995 Admin Reg 18E	Monthly	Not applicable		Not applicable		Not applicable	
Local Government Employees	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995	Local Government Act 1995 Admin Reg 18F	Monthly	Not applicable		Not applicable		Not applicable	
Local Government Employees	Did the CEO inform council of each proposal to employ or dismiss senior employee	Local Government Act 1995 s5.37(2)	Monthly	Not applicable	Only senior employee is the CEO, see policy G 1.7	Not applicable	Only senior employee is the CEO, see policy G 1.7	Not applicable	
Local Government Employees	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so	Local Government Act 1995 s5.37(2)	Monthly	Not applicable	Only senior employee is the CEO, see policy G 1.7	Not applicable	Only senior employee is the CEO, see policy G 1.7	Not applicable	
Official Conduct	Has the local government designated an employee to be its complaints officer	Local Government Act 1995 s5.120	Monthly	Yes	Designation made on 18/05/16, decision no. C.2693 for Colin Young, Executive Manager Corporate Services to be the Complaints Officer.	Yes	Designation made on 18/05/16, decision no. C.2693 for Colin Young, Executive Manager Corporate Services to be the Complaints Officer.	Yes	
Official Conduct	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995	Local Government Act 1995 s5.121(1) & (2)	Monthly	Yes	Nil received	Yes	Nil received	Yes	
Official Conduct	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995	Local Government Act 1995 s5.121(2)	Monthly	Yes	Nil received	Yes	Nil received	Yes	
Official Conduct	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website	Local Government Act 1995 s5.121(3)	Monthly	Yes		Yes		Yes	
Other	CEO Authority to Speak on behalf of the LG - if new Shire President is elected, seek / obtain written authority from Shire President for CEO to speak on behalf of the Local Government.	Local Government Act 1995 s.5.41(f)	October					Yes	Permission granted 14/11/2023
Other	Food Act and Public Health Act reporting - Enforcement agencies must report to the Dept CEO on performance of functions under Acts. Reporting has been combined and must be submitted online by 31 August.	Food Act 2008 s.121(1) Public Health Act 2016 s.22(1)	August	Yes					
Other	Was the below information provided to the Valuer General by the 14th day of each month: • building licenses issued • building license works completed • registered plans and amendments under the Strata Titles Act 1985	Valuation of Land Act 1978 s.37	Monthly	No		Yes	Sent 11/10/2023	Yes	Sent 08/11/2023
Other	Have Elected Members not been absent for 3 consecutive ordinary meetings with Leave of Absence being granted	Local Government Act 1995 s.2.25	August, December, June, March	Yes					
Other	Establishment of Audit Committee - following Elections, Council must establish an Audit Committee - with membership of 3 or more persons, by Absolute Majority, and appoint committee members and deputies. Each Elected Member is entitled to be a member of at least one committee.	Local Government Act 1995 s.7.1A, s.5.8, s.5.9, s.5.10, s.5.11A, s.5.11	October					Yes	https://www.norham.wa.gov.au/council-meetings/special-meeting/special-council-meeting-25-october-2023/591
Other	Establishment of Committees - following Elections, Council may establish committees (other than Audit) of 3 or more persons, by Absolute Majority, and appoint committee members and deputies. Each Elected Member is entitled to be a member of at least one committee.	Local Government Act 1995 s.5.8, s.5.9, s.5.10, s.5.11A, s.5.11	October					Yes	https://www.norham.wa.gov.au/council-meetings/special-meeting/special-council-meeting-25-october-2023/591
Other	Establishment of Committees - Each committee has been established with a Terms of Reference, that details the purpose of the Committee and the scope of matters that the Committee will deal with.	Local Government Act 1995 s.5.8	October					Yes	https://www.norham.wa.gov.au/documents/council-committee-terms-of-reference
Other	Election of Committee Presiding Members and deputies - conducted in accordance with Schedule 2.3, Div. 1	Local Government Act 1995 s.5.12 Schedule 2.3, Div. 1	October					Yes	BFAC, A&R, Comm Grants, and Safety Committee are all in November.
Other	Appointment of Elected Members to External Bodies	N/A	October					Yes	https://www.norham.wa.gov.au/documents/council-committee-terms-of-reference


Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Other	Building Services Levy - Payment made by 14th day of the month.	Building Services (Complaint Resolution and Administration) Regulations 2011 s.16	Monthly	Yes	Item for August is currently compliant - invoice received 13/9/2023 & currently being processed. Noting non-compliance from last July, spoke to DSO who advised that due to lack of staff training it got missed for July. July is currently being processed with Augusts.	Yes	September BSL sent off on 12/10/2023	No	Training was provided to DSA on 16/11/2023. BSL was submitted to finance 16/11/2023
Other	Building Construction Training Fund Levy - Payment made the 10th day of the month Construction Training Fund.	Building and Construction Industry Training Fund and Levy Collection Act 1990	Monthly	Yes	Item for August is currently compliant - invoice received 13/9/2023 & currently being processed. Noting non-compliance from last July, spoke to DSO who advised that due to lack of staff training it got missed for July. July is currently being processed with Augusts.	No	Information received Tuesday 10/09/2023. Notification from DSO that invoice was submitted to finance 12/10/2023. Paid 8/11/2023 due to receipting being behind due to staff vacancies.	No	CTF report submitted to finance 16/11/2023/
Other	Public Access to Information - Audit Check LG website, Library and LG office to ensure all information listed in s.5.94, s.5.96A and Admin. Reg.29 is publicly accessible (see s.5.96 too) and that customer service staff are trained to provide access accordingly. Audit to note limitations: s.5.95 and Admin. Regs. 29A and 29B	Local Government Act 1995 s.5.94, s.5.95, s.5.96, s.5.96A Admin. Reg.29, 29A, 29B	Monthly	No	- BFAC confirmed minutes not listed (06/12/2022) - Community Safety Committee Minutes were posted on website later than seven days.	No	-BFAC confirmed minutes not listed (06/12/2022)	No	- BFAC confirmed minutes not listed (06/12/2022)
Other	Food Act and Public Health Act Annual Report The Department of Health requires local government enforcement agencies to submit an annual report by 31 August on their performance under the Food Act and Public Health Act.	Food Act 2008 s121 Public Health Act 2016 s22	August	Yes	Submitted 25/7/2023				
Other	Emergency Services Levy payment made by 21 day	DFES - ESL Manual of Operating Procedures 2.2.12	December, June, March, September			Yes	Paid 21/09/2023		
Primary / Annual Returns	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day	Local Government Act 1995 s5.75 Admin Reg 22, Form 2	Monthly	Yes		Not applicable		Yes	
Primary / Annual Returns	Was an annual return in the prescribed form lodged by all relevant persons by 31 August	Local Government Act 1995 s5.76 Admin. Reg 23, Form 3	August	Yes					
Primary / Annual Returns	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return	Local Government Act 1995 s5.77	Monthly	Yes		Not applicable		Yes	
Primary / Annual Returns	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995	Local Government Act 1995 s5.88(1) & (2)(a)	Monthly	Yes		Yes		Yes	
Primary / Annual Returns	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28	Local Government Act 1995 s5.88(1) & (2)(b) Admin Reg 28	Monthly	Yes		Yes		Yes	
Primary / Annual Returns	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person	Local Government Act 1995 s5.88(3)	Monthly	Yes		Yes		Yes	
Primary / Annual Returns	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return	Local Government Act 1995 s5.88(4)	Monthly	Yes		Yes		Yes	
Tenders for Providing Goods & Services	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less	Local Government Act 1995 F&G Reg 11A(1) & (3)	Monthly	No	90% compliant. Non-compliances include: 1x PO not issued before invoice.	No	90% Compliance Non-compliance: File note not included as to why a PO was issued after invoice.	Yes	RFT 7 2023 - Northam Bike Hub Upgrades RFT 8 2023 - Cleaning of Northam Townsite Buildings

Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Tenders for Providing Goods & Services	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations	Local Government Act 1995 s3.57 F&G Reg 11	Monthly	Yes		Yes		Yes	Requested through Vendor Panel, website & Ad in West Australian
Tenders for Providing Goods & Services	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)	Local Government Act 1995 F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	Monthly	Yes		Yes	04 of 2023 - Lease of a portion of Killara Adult Day Care and Respite Centre, 2 Burgoyne St	Yes	2x Tenders advertised through Vendor Panel, website & Ad in West Australian
Tenders for Providing Goods & Services	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract	Local Government Act 1995 F&G Reg 12	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation	Local Government Act 1995 F&G Reg 14(5)	Monthly	Yes	Managed through VendorPanel	Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16	Local Government Act 1995 F&G Regs 15 & 16	Monthly	Yes	RFT 06 of 2023 was opened Tuesday 8th August 2023 @ 10:52am (WAST)	Yes	04 of 2023 - Lease of a portion of Killara Adult Day Care and Respite Centre, 2 Burgoyne St	Not applicable	Nil opened in October
Tenders for Providing Goods & Services	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website	Local Government Act 1995 F&G Reg 17	Monthly	Not applicable	RFT 06 of 2023 is going to be awarded at SEPT OCM - Waiting on successful Tenderer before Register can be completed.	Yes	06 of 2023 - Green Waste Processing Services	Yes	
Tenders for Providing Goods & Services	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender	Local Government Act 1995 F&G Reg 18(1)	Monthly	Not applicable	Nil rejected.	Not applicable	Nil rejected.	Not applicable	Nil rejected
Tenders for Providing Goods & Services	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept	Local Government Act 1995 F&G Reg 18(4)	Monthly	Yes		Yes	04 of 2023 - Lease of a portion of Killara Adult Day Care and Respite Centre, 2 Burgoyne St	Not applicable	Nil evaluated
Tenders for Providing Goods & Services	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted	Local Government Act 1995 F&G Reg 19	Monthly	Not applicable	No Tenders awarded in August	Yes	06 of 2023 - Green Waste Processing Services	Yes	04 of 2023 - Lease of a portion of Killara Adult Day Care and Respite Centre, 2 Burgoyne St
Tenders for Providing Goods & Services	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22	Local Government Act 1995 F&G Regs 21 & 22	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice	Local Government Act 1995 F&G Reg 23(1) & (2)	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer	Local Government Act 1995 F&G Reg 23(3) & (4)	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24	Local Government Act 1995 F&G Reg 24	Monthly	Not applicable		Not applicable		Not applicable	

Compliance Area	Compliance Action	Compliance Requirement	Compliance Frequency	August	August Comments	September	September Comments	October	October Comments
Tenders for Providing Goods & Services	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE	Local Government Act 1995 F&G Regs 24AD(2) & (4) and 24AE	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation	Local Government Act 1995 F&G Reg 24AD(6)	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application	Local Government Act 1995 F&G Reg 24AF	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG	Local Government Act 1995 F&G Reg 24AG	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications	Local Government Act 1995 F&G Reg 24AH(1)	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept	Local Government Act 1995 F&G Reg 24AH(3)	Monthly	Not applicable		Not applicable		Not applicable	
Tenders for Providing Goods & Services	Did the CEO send each applicant written notice advising them of the outcome of their application	Local Government Act 1995 F&G Reg 24AI	Monthly	Not applicable		Not applicable		Not applicable	
				Compliance Items	76	Compliance Items	77	Compliance Items	77
				Items Compliant	70	Items Compliant	72	Items Compliant	73
				Items Non-Compliant	4	Items Non-Compliant	5	Items Non-Compliant	4
				Percentage Compliant	93%	Percentage Compliant	94%	Percentage Compliant	95%
				Auditor:	Britt Hadlow	Auditor:	Britt Hadlow	Auditor:	Britt Hadlow
				Auditor Signature:		Auditor Signature:		Auditor Signature:	
				Date Completed:	14/9/2023	Date Completed:	12/10/2023	Date Completed:	14/11/2023

Procurement Audit August: - October 2023											
Audit Month	EFT Number	Creditor	Invoice Description	Invoice Amount	Invoice Date	Purchase Order Number	Purchase Order Amount	Purchase Order Date	Date of Order Prior to Invoice	Compliance with Purchasing Policy/Process	Comment
August	EFT48048	Avon Valley Bakery	Cupcakes to be supplied For NAIDOC Week By 9am on 04/07/2023	\$200.00	04/07/23	71757	\$250.00	04/07/23	Yes	Yes	
August	EFT48055	CDA Air & Solar York	Inkpen tip building - supply and install extra 4kwh battery to solar system	\$3,880.00	17/07/23	71713	\$3,880.00	28/06/23	Yes	Yes	
August	EFT48070	How Ya Going Now PTY LTD	Cattle - agistment, carting, calves tagged	\$5,141.40	15/07/23	72180	\$5,141.40	31/07/23	No	Yes	File note included as to why PO was dated after the invoice
August	EFT48088	Pro - Tramp Australia PTY LTD	Snow pit - delivery, set up, operate & pack up	\$11,000.00	02/07/23	71508	\$22,000.00	12/06/23	Yes	Yes	
August	EFT48154	Supercivil	Supply and install 53lm x.5 concrete apron @ 100mm thick. Location vintage car club	\$8,844.11	26/07/23	71718	\$8,844.11	28/06/23	Yes	Yes	
August	EFT48191	Fresh Trading Co Ops PTY LTD	Catering rec staff morning tea	\$69.50	12/07/23	71985	\$69.50	12/07/23	Yes	Yes	
August	EFT48194	JB HI-FI Group PTY LTD	Hisense 85" A7KAU 4k UHD Led Smart TV [2023] - Depot	\$2,495.00	03/08/23	72028	\$2,495.00	17/07/23	Yes	Yes	
August	EFT48213	Redspot Head Office PTY LTD	Supply of hire vehicle - Toyota Hilux dual cab tray back diesel ute c/w bullbar, towbar, 2 undertray tool boxes (full mine spec compliance) until replacement PN1307 is delivered 12/4/2023 - 23/5/2023	\$4,586.32	29/07/23	71011	\$7,147.80	04/05/23	Yes	Yes	
August	EFT48230	Warricks Newsagency	Shire Admin Building - general stationery	\$163.33	10/07/23	71654	\$176.65	22/06/23	Yes	Yes	
August	EFT48336	FM Surveys	Norham Depot Redevelopment - Survey points for fencing project / Wellington Street footpath construction. Survey pick up for footpath construction.	\$2,970.00	04/08/23	72145	\$2,700.00	10/08/23	Yes	Yes	
August	EFT48386	Westgrow Farm Trees - B&J West T/AS	As per attached quote, advanced plants for the Norham RV park area for the 2024 winter planting season. 190 plants in 3-5l pots, all local native varieties.	\$2,999.18	09/08/23	72292	\$2,999.18	08/08/23	Yes	Yes	
COMPLIANCE				95%							
COMPLETED BY:				ALYSHA MCCALL							
SIGNED:											

Audit Month	EFT Number	Creditor	Invoice Description	Invoice Amount	Invoice Date	Purchase Order Number	Purchase Order Amount	Purchase Order Date	Date of Order Prior to Invoice	Compliance with Purchasing Policy/Process	Comment	
September	EFT48402	Duncan Group International	12x Olive Oil Bottle for Visitors Centre	\$120.00	31/08/23	72571	\$120.00	28/08/23	Yes	Yes		
September	EFT48438	WCP Civil	C.202122-05 Resealing Works - Progress Claim 4 - Parker/Clarke & Forward Street	\$76,352.95	28/06/23	65826	\$601,400.27	15/03/23	Yes	Yes		
September	EFT48463	Cadd's Fashions	Staff Uniforms	\$629.50	28/08/23	71703	\$629.50	28/06/23	Yes	Yes		
September	EFT48511	Shred-X	Emptying of Depot Shredder Bin Emptying of Admin Shredder Bin	\$90.52	31/07/23	71742	\$90.52	29/06/23	Yes	Yes		
September	EFT48551	Professional Lockservice	Northam Depot - Supply 3x DO1 Padlocks & 4x MKD Keys	\$410.00	04/09/23	72626	\$450.00	30/08/23	Yes	Yes		
September	EFT48558	Country Copiers	Killara - C3830 - Printer Service & Meter Reading 05/07/2023 - 07/09/2023	\$266.75	07/09/23	72065	\$4,160.60	20/07/23	Yes	Yes		
September	EFT48541	DMC Cleaning	Admin Building Paper Products 2023-2024 New Depot Admin Building Paper Products 2023-2024	\$185.34	01/09/23	72793	\$115,167.92	12/09/23	No	No	File note not included detailing why PO was dated after Invoice. File note now attached.	
September	EFT48568	Cannon	Wundowie Pool 1x Signature M FHU 22L 01/07/2023 - 30/06/2023 Northam Aquatic Facility 9x Signature MFHU 22L 4x White Signature Nappy Bins w/ Pedal	\$676.23	14/09/23	71626	\$10,171.81	20/06/23	Yes	Yes		
September	EFT48578	G.S Beverage & L.P Nottle	Bernard Park Sound Shell - Pressure Wash Prior to Women's Ballooning Event	\$1,750.00	27/08/23	72555	\$1,750.00	25/08/23	Yes	Yes		
September	EFT48565	Blackwell Plumbing	Lesser Hall - Repair/Report on Instant Boiling HWS in Kitchen & Leaking to Pipe Outside	\$129.80	07/09/23	72618	\$250.00	30/08/23	Yes	Yes		
COMPLIANCE				90%								
COMPLETED BY:				Britt Hadlow <i>[Signature]</i>								
SIGNED:				<i>[Signature]</i>								

Audit Month	EFT Number	Creditor	Invoice Description	Invoice Amount	Invoice Date	Purchase Order Number	Purchase Order Amount	Purchase Order Date	Date of Order Prior to Invoice	Compliance with Purchasing Policy/Process	Comment
October	EFT48702	Jason Signmakers	Double sided street blade SON specs - "Cecil Rd"	\$72.52	18/09/23	72659	\$90.00	01/09/23	Yes	Yes	
October	EFT48870	Chadson Engineering Pty Ltd	Servicing Palintesters	\$682.00	11/10/23	72321	\$1,280.00	09/08/23	Yes	Yes	
October	EFT48759	Bunnings Trade	Edge Barrier	\$37.04	06/10/23	73108	\$38.99	06/10/23	Yes	Yes	
October	EFT48817	Shred-X	Admin - Shredder Container Rental & Swap Over 2023/24	\$13.00	30/09/23	72786	\$864.00	12/09/23	Yes	Yes	
October	EFT48859	Blackwell Plumbing & Gas Pty Ltd	Grass Valley Fire Shed - Lower Inspection Point to Pipe Near Rear Roller Door	\$157.30	13/10/23	73157	\$250.00	09/10/23	Yes	Yes	
October	EFT48868	Cadds Fashions	Cargo Pants x3	\$286.46	28/09/23	72611	\$269.80	30/08/23	Yes	Yes	
October	EFT48945	Harcher	Lollies for pool	\$827.55	12/10/23	73194	\$1,045.12	10/10/23	Yes	Yes	
October	EFT48983	Fair Dinkum Builds	Machinery & Garden Shed, and Green House as per contract C.202021-08	\$50,000.00	19/10/23	60309	\$406,158.50	01/12/20	Yes	Yes	
October	EFT48999	Northam Towing Service	Pick up PN1213 Tractor & De	\$350.00	20/10/23	73119	\$350.00	06/10/23	Yes	Yes	
October	EFT49014	WA Flags & Banners	Flags - National Balloon Championships	\$218.00	15/10/23	73172	\$218.00	10/10/23	Yes	Yes	
			COMPLIANCE	100%							
			COMPLETED BY:	Britt Hadlow							
			SIGNED:								

7.5 Privacy and Responsible Information Sharing

File Reference:	1.4.4.14
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	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 - October 2023 [7.5.1 - 3 pages]

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 (Attachment 6.3.1) 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. Its purpose is to enable Officers to work systematically towards a defined level of capability by the time new legislation is anticipated to come into force. 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 20-months (from April 2023 to December 2024). It is anticipated that the 31 December 2024 will see the commencement of the legislation.

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.

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

Officers have developed the Action Plan which 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.270

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

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

- 1. That Council receive the October 2023 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 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Clarification was sought in relation to:

- In reference 8.2, the due date differs in two sections. Has this item been completed?

The Governance Coordinator confirmed that the task has been completed.

PRIS Action Plan

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 completed 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	Britt Hadlow, 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.	31/12/23	Britt Hadlow, 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.	No Action	
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).	31/12/23	Britt Hadlow		No Action	
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.	29/02/24	Britt Hadlow		No Action	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
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.	31/03/24	Britt Hadlow		No Action	
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.	31/03/24	Britt Hadlow		No Action	
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.	30/04/24	Britt Hadlow		No Action	
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.	30/06/24	Britt Hadlow, Tamika Van Beek		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.	31/08/24	Britt Hadlow		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.	31/08/24	Britt Hadlow		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.	30/09/24	Britt Hadlow, Kristy Hopkins		No Action	
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.	30/09/24	Britt Hadlow, Marlene Plews, Tamika Van Beek		No Action	
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.	31/10/24	Britt Hadlow		No Action	

Readiness Plan Reference No.	Action Item.	Target	Target Completion Date	Responsible Officer	Progress To Date	Status	Completion Date
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.	31/10/24	Britt Hadlow		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.	31/10/24	Britt Hadlow		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.	31/10/24	Britt Hadlow		No Action	
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.	31/10/24	Britt Hadlow		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.	30/11/24	Britt Hadlow, Jan Byers		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.	31/12/24	Britt Hadlow		No Action	

7.6 Risk Register

File Reference:	8.2.7.1
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

To provide information pertaining to the organisational risk register.

ATTACHMENTS

1. Risk Register [7.6.1 - 35 pages]

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 Council is aware of the identified risks and treatments 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

Council allocates \$27,000 per annum for the Promapp system. Promapp is used for process mapping, risk management and WHS management.

B.3 Legislative Compliance

AS/NZS ISO 31000:2018.

B.4 Policy Implications

Policy G1.11 – Risk Management.

B.5 Stakeholder Engagement / Consultation

Council was involved in the development and endorsement of the Risk Management Policy and associated Plan.

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	Negative community perception due to lack of adequate risk management practices within the Shire of Northam	Minor(2) x Possible(3) = Moderate(6)	Per recommendation within this report
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)	Per recommendation within this report
Property	N/A		
Environment	N/A		

B.7 Natural Environment Considerations

Nil.

C. OFFICER'S COMMENT

Amendments have made to the Risk Register as there was no consistency with regards to the "risk owners" and "risk sign offs". Executive Managers are now



the only staff who are able to be a “risk owner”. Executive Managers are responsible for the delegation of staff responsible to “sign off” on the mitigation activities within their departments.

This ensures the Executive Manager is aware of the mitigation activity deadlines within their department, and ensures staff remain accountable for their delegated “sign offs”.

As part of the Risk Management Policy Council has established two main 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 164 risk mitigation/treatment strategies, of which 5 are overdue/non-compliant (which equates to 3.04%) as at 29 November 2023 as outlined below:

- MC00012: Non-compliant – Undertake community surveying every two years focusing on community perception of service delivery.

Comment: Data collection carried out in September by CATALYSE, final presentations to Council and Executive in December.

- MC00029: Overdue – Run annual emergency management exercise.

Comment: Scheduled at next LEMC meeting in December 2023.

- MC00031: Overdue – Fuel Loads risk register in place.

Comment: Task falls under the Bush Fire Risk Management Coordinator which has been vacant due to a resignation. This task will be assigned to the new Coordinator when they commence in early December.

- MC00033: Biennial Customer Satisfaction & Community Needs Survey

Comment: Recommendation to remove this treatment as it is a duplicate of MC00012.

- MC00045: Overdue – Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item)

Comment: Officers are recommending to remove this risk from the register. Refer to Agenda Item 6.6.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.271

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

That the Audit and Risk Management Committee endorses the following recommendations being presented to Council:

- 1. That Council receives the December 2023 Shire of Northam Risk Register update.**
- 2. That Council requests the Chief Executive Officer to remove the following risk treatment from the Risk Register due to being a duplicate of risk treatment MC00012:**
 - α. MC00033: Biennial Customer Satisfaction & Community Needs Survey.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil



Risk Register

RESIDUAL 15.0 EXTREME	GENERAL, HEALTH & SAFETY - PUBLIC River Water Quality Risk of public swimming in river during times of poor river quality and becoming unwell.	TREATMENT MC00124 Manage River Water Sampling - Prepare items required items to conduct sampling Ensure river sampling is conducted and results assessed. Ensure communication and signage is adequate with community.	CHANGE(S) PENDING SIGNOFF(S): Susan Burley DUE DATE: 01 Feb 2024 FREQUENCY: 1st day of every 12 months
INHERENT 15.0	OWNER Chadd Hunt CREATED 2/20/2023 12:18:55 PM LIKELIHOOD Possible SEVERITY Extreme CONTROL EFFECTIVENESS Deficiencies		
R00059			

RESIDUAL 12.0 EXTREME	GENERAL, HEALTH & SAFETY - PUBLIC Re-use water quality Ensure re-use water quality meets Department of Health licensing requirements.	TREATMENT MC00125 Manage Reclaimed Water Sampling - Receive results Ensure procedures are followed for sampling.	CHANGE(S) PENDING SIGNOFF(S): Gordon Tester Neil Travers Paul Todd George Johnson Sean Cope Keith Boase Susan Burley DUE DATE: 01 Feb 2024 FREQUENCY: 1st day of every 12 months
INHERENT 12.0	OWNER Chadd Hunt CREATED 2/20/2023 12:23:15 PM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Deficiencies		
R00060			

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00062

DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL

Inadequate control of invasive flora species on Shire of Northam controlled land

OWNER Chadd Hunt
 CREATED 5/29/2023 4:32:00 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00128

Develop annual spraying program for Shire of Northam land

SIGNOFF(S): Jennifer Abbott
 Jacky Jurmann
 DUE DATE: 31 Aug 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00129

Engage contractors to undertake spraying in identified areas

SIGNOFF(S): Jennifer Abbott
 Jacky Jurmann
 DUE DATE: 30 Sep 2024
 FREQUENCY: The last Weekday of every 12 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00064

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Farmer Response

Risk associated with farmers turning out to fires

OWNER Chadd Hunt

CREATED 7/21/2023 1:47:37 PM

LIKELIHOOD Possible

SEVERITY Major

CONTROL EFFECTIVENESS Adequate

TREATMENT MC00133

Marketing to encourage farmers to have protective clothing in their vehicles in case of a fire emergency. Social media campaign to be developed to commence September annually in the lead up to fire season

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 DUE DATE: 25 Aug 2024
 FREQUENCY: 25th day of every 12 months

TREATMENT MC00134

Provide Shire of Northam Fire appliance with one spare set of PPE. (confirm with brigade captains)

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 DUE DATE: 30 Aug 2024
 FREQUENCY: 30th day of every 12 months

TREATMENT MC00135

Memo to Leadership Team and FCO's reminding them of importance of effective coordination on active fire grounds by ensuring fire control officers and brigade members are aware of importance of the sector commander or incident controller recording private fire units and of sectorising fires early,

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 DUE DATE: 29 Sep 2024
 FREQUENCY: 29th day of every 12 months

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

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 DUE DATE: 30 Aug 2024
 FREQUENCY: 30th day of every 12 months

TREATMENT MC00137

Encourage young people (farmers) to become members of bushfire brigades through annual social media campaign

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 Ian Kieley
 DUE DATE: 29 Sep 2024
 FREQUENCY: 29th day of every 12 months

TREATMENT MC00138

Investigate potential incentives to attract volunteers

SIGNOFF(S): Alex Espey
 Jacky Jurmann
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00139

Undertake monthly workplace inspections of fire stations undertaken by Brigade captains of another appropriate brigade member

SIGNOFF(S): Alex Espey
 DUE DATE: 23 Dec 2023
 FREQUENCY: 23rd day of every 2 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00065

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Fire Station, Appliances & Equipment
 Ensure our volunteers have access to adequate / appropriate and safe buildings, appliances and equipment

OWNER Chadd Hunt
 CREATED 7/21/2023 2:10:25 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00140 Pre-season safety inspection of fire stations	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey Joanne Griffiths 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00141 Provide manual handling training / refreshers to all volunteers. May be in person or provision of online refresher opportunity	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 17 Oct 2024 17th day of every 12 months
TREATMENT MC00142 Ensure weekly inspections of fire appliance is being undertaken during fire season	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 01 Dec 2023 The first Day of every month
TREATMENT MC00143 Undertake Preseason Check of all appliances by qualified mechanic	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey Jacky Jurmann 18 Jan 2024 18th day of every month
TREATMENT MC00144 Provide vehicle report forms to all brigades to ensure damage or maintenance requirements are being identified	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 31 Mar 2024 The last Day of every 6 months
TREATMENT MC00145 Provide access to off-road training to all volunteers	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00146 Memo to all brigade members in relation to requirement for bushfire appliance operators to obey road rules when on public roads at all times, unless an exemption is provided due to driver having undertaken necessary training	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00147 Provide washing machines at all Fire Stations and encourage / recommend that all PPE be washed on site	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months

RESIDUAL
9.6
HIGH

INHERENT
12.0

R00066

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Volunteer Training

Inadequate volunteer training could result in injury or death on fire ground

OWNER Chadd Hunt

CREATED 7/21/2023 2:44:26 PM

LIKELIHOOD Possible

SEVERITY Major

CONTROL EFFECTIVENESS Adequate

TREATMENT MC00148

Provide 2 sets of PPE to all active brigade members on their request.

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Oct 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00149

Ensure minimum training standards for bushfire volunteers, including the leadership team, are endorsed by Council

SIGNOFF(S):

Alex Espey

DUE DATE:

20 Aug 2025

FREQUENCY:

The third Wednesday of every 24 months

TREATMENT MC00151

Have standard operating procedures in place

SIGNOFF(S):

Alex Espey

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00152

Ensure adequate training assessors are approved by DFES for the Shire of Northam

SIGNOFF(S):

Alex Espey

DUE DATE:

31 Jul 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00153

Provide volunteers with access to flexible training arrangements, with a particular focus on weeknight training to suit volunteers

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Aug 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00154

Require minimum training before a volunteer can be active on the fire ground (utilising DFES guidelines) - reminder to be sent to all captains and volunteers

SIGNOFF(S):

Alex Espey

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00155

All volunteers to be required to undertake pre-season competency based training / annual induction prior to start of fire season

SIGNOFF(S):

Alex Espey

DUE DATE:

31 Oct 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00157

Review training records/registers to ensure they are up to date and utilised to identify training requirements

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Aug 2024

FREQUENCY:

The first Day of every 12 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00040

AMP - BUILDINGS, SERVICE INTERRUPTION

AM Service Levels not met

Asset Management Plan identifies need to establish and monitor a range of service levels to ensure Council and community expectations are met

OWNER Paul Devcic
 CREATED 7/16/2019 11:24:02 AM

LIKELIHOOD Likely
 SEVERITY Medium
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00019

Up to date and accurate building asset management plan in place

SIGNOFF(S):

Paul Devcic
 Colin Young
 Shane Moorhead

DUE DATE:

01 Jun 2025

FREQUENCY:

The first Day of every 24 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00023

CORPORATE SERVICES, SERVICE INTERRUPTION

Failure of IT &/or Communications Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

OWNER Colin Young
 CREATED 7/1/2019 2:58:09 PM

LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00047

Data Back-up Systems in place and documented

SIGNOFF(S):

Colin Young

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00048

Disaster Recovery Plan in place

SIGNOFF(S):

Colin Young

DUE DATE:

01 Sep 2024

FREQUENCY:

The first Day of every 12 months

RESIDUAL
9.6
HIGH

INHERENT
12.0

R00055

ENGINEERING SERVICES, HEALTH & SAFETY - PUBLIC, REPUTATION - COMMUNITY

Inadequate Cleaning of Shire Facilities

Shire buildings and public amenities not regularly cleaned to and acceptable standard causing the following issues:
- not regularly cleaned/sanitised, there is a chance of making people sick
- not cleaned, community and visitors not satisfied
Shire buildings and amenities may not be able to open to public or operate if not cleaned appropriately
Paying too much for cleaning services is also a financial risk.

OWNER Paul Devcic
CREATED 12/2/2020 11:11:13 AM
LIKELIHOOD Likely
SEVERITY Medium
CONTROL EFFECTIVENESS Adequate

TREATMENT MC00109

Manage public tenders (RFT) for purchases over \$250,000 Excl. GST - Prepare Tender
Conduct a public tender as per the Manage Tenders Process and in line with the Shire's Procurement Policy F4.2

TREATMENT MC00110

Have a contract in place for regular cleaning schedule in place in accordance with best cleaning practices
Monthly inspection of toilets to be undertaken by Council staff

CHANGE(S) PENDING

SIGNOFF(S): Colin Young
Kristy Hopkins

DUE DATE:

FREQUENCY: Once

SIGNOFF(S): Shane Moorhead

DUE DATE: 01 Jul 2024

FREQUENCY: The first Day of every 12 months

RESIDUAL
7.5
 MODERATE

INHERENT
25.0

R00004

CORPORATE SERVICES, STRATEGIC - ORGANISATIONAL

Inadequate Insurance
 Organisation is exposed to financial loss due to failure to renew public indemnity insurance or renew it with adequate cover

OWNER Colin Young
 CREATED 5/6/2019 1:42:09 PM

LIKELIHOOD Almost Certain
 SEVERITY Extreme
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00061
 Insurance coverage reviewed internally prior to presenting to Chief Executive Officer for sign off

SIGNOFF(S): Colin Young
 DUE DATE: 01 Jul 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00062
 Insurance coverage assessed independently for adequacy

SIGNOFF(S): Colin Young
 DUE DATE: 01 May 2024
 FREQUENCY: The first Day of every 48 months

TREATMENT MC00097
 Review of past 5 year Insurance performance (comparing premium contributions against claims). May result in assessing a range of factors including current level of cover, excesses and structure of workers compensation premium for example:

- Retention (deductible and excess) Review – assess what amount the Shire is able to retain for each applicable policy (please note LGIS Workers Compensation and Public Liability policies have Nil excess)
- Explore the options of moving from a fixed based Workers Compensation policy to Performance based policy. Whilst this could reduce up-front costs, poor performance does impact overall costs, due to a higher maximum rate.
- Overall Property Asset review – item by item, identify what the Shire would replace and what would not be replaced and amend sums insured accordingly. For example no intention of replacing an asset in the event of a total loss, you can choose to reduce the sum insured to an indemnity basis rather than re-in statement. Partial losses will need to be a consideration in this exercise.
- Policy Limits review against maximum fore see able losses. (this can be undertaken on the Brokered policies outside of the mutual policies).

SIGNOFF(S): Colin Young
 Debbie Terelinck
 DUE DATE: 31 May 2024
 FREQUENCY: The last Day of every 36 months

RESIDUAL 7.5 MODERATE	CORPORATE SERVICES, COMPLIANCE - LEGISLATIVE, FINANCIAL - OPERATIONAL	
	Inadequate procurement / tender process Council fails to meet legislative obligations, Council policy and Council delegations relating to procurement resulting in departmental investigation, potential disciplinary action, poor financial outcomes and reputation damage.	
INHERENT 25.0	OWNER	Colin Young
R00011	CREATED	5/7/2019 10:29:20 AM
	LIKELIHOOD	Almost Certain
	SEVERITY	Extreme
	CONTROL EFFECTIVENESS	Strong

TREATMENT MC00008
Manage Procurement - Identify need for procurement
Establish and comply with a purchasing policy.

CHANGE(S) PENDING
SIGNOFF(S): Colin Young
Kristy Hopkins
DUE DATE: 01 May 2025
FREQUENCY: The first Day of every 24 months

TREATMENT MC00009
Monthly random internal audit of five (5) purchases to be performed to ensure compliance with purchasing requirements.

SIGNOFF(S): Britt Hadlow
DUE DATE: 14 Dec 2023
FREQUENCY: 14th day of every month

TREATMENT MC00010
Ensure the delegated authority register is up to date for tenders and purchases through E-Quotes.

SIGNOFF(S): Britt Hadlow
DUE DATE: 14 Dec 2023
FREQUENCY: 14th day of every month

TREATMENT MC00112
Review Procurement Policy.

SIGNOFF(S): Kristy Hopkins
Colin Young
DUE DATE: 01 Oct 2024
FREQUENCY: 1st day of every 12 months

RESIDUAL 7.2 MODERATE	CHIEF EXECUTIVES OFFICE, COMPLIANCE - LEGISLATIVE, SERVICE INTERRUPTION	
	Records Management Important information unable to be found and legislative requirements not met as a result of inadequate records management plans and practices	
INHERENT 9.0	OWNER	Debbie Terelinck
R00015	CREATED	5/24/2019 2:58:42 PM
	LIKELIHOOD	Possible
	SEVERITY	Medium
	CONTROL EFFECTIVENESS	Adequate

TREATMENT MC00023
Manage Records - File record
Process which explains how to register all records incoming and outgoing

CHANGE(S) PENDING
SIGNOFF(S): Britt Hadlow
DUE DATE: 01 Jul 2024
FREQUENCY: 1st day of every 12 months

TREATMENT MC00024
Current Records Management Plan in place

SIGNOFF(S): Britt Hadlow
DUE DATE: 01 May 2024
FREQUENCY: The first Day of every 48 months

TREATMENT MC00025
Manage Document Control - Identify Document Need
Have an effective document control system in place

SIGNOFF(S): Britt Hadlow
DUE DATE: 01 May 2024
FREQUENCY: The first Day of every 12 months

RESIDUAL 7.2 MODERATE	CHIEF EXECUTIVES OFFICE, REPUTATION - COMMUNITY Inadequate engagement with Community / Stakeholders / Elected Members Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.	TREATMENT MC00032 Current Community Engagement Plan in Place	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck 01 Jan 2029 The first Day of every 112 months
	INHERENT 9.0 R00018	OWNER Debbie Terelinck CREATED 6/19/2019 9:07:22 AM LIKELIHOOD Possible SEVERITY Medium CONTROL EFFECTIVENESS Adequate	TREATMENT MC00033 Biennial Customer Satisfaction & Community Needs Survey	OVERDUE SIGNOFF(S): DUE DATE: FREQUENCY:

RESIDUAL 7.2 MODERATE	DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL Contaminated property being used inappropriately	TREATMENT MC00127 Ensure contaminated sites register is maintained and up to date	SIGNOFF(S): DUE DATE: FREQUENCY:	Jacky Jurmann 30 Jun 2024 30th day of every 12 months
	INHERENT 9.0 R00061	OWNER Chadd Hunt CREATED 5/29/2023 4:28:26 PM LIKELIHOOD Possible SEVERITY Medium CONTROL EFFECTIVENESS Adequate		

<p>RESIDUAL 6.4 MODERATE</p> <p>INHERENT 8.0</p> <p>R00063</p>	<p>DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL</p> <p>Inefficient use of water in/on Shire of Northam assets</p> <p>OWNER Chadd Hunt CREATED 5/29/2023 4:37:13 PM</p> <p>LIKELIHOOD Likely SEVERITY Minor CONTROL EFFECTIVENESS Adequate</p>	<p>TREATMENT MC00130</p> <p>Establish internal Waterwise group to identify water saving opportunities</p>	<p>SIGNOFF(S): Jennifer Abbott Jacky Jurmann</p> <p>DUE DATE: 29 Feb 2024</p> <p>FREQUENCY: The last Weekday of every 3 months</p>
		<p>TREATMENT MC00131</p> <p>Review water usage to identify high use facilities and identify saving opportunities</p>	<p>SIGNOFF(S): Jennifer Abbott Jacky Jurmann</p> <p>DUE DATE: 29 Mar 2024</p> <p>FREQUENCY: The last Weekday of every 12 months</p>
		<p>TREATMENT MC00132</p> <p>Undertake water balance study to identify opportunities for greater utilisation of treated wastewater on Shire of Northam assets</p>	<p>SIGNOFF(S): Gordon Tester Keith Boase Jacky Jurmann Paul Devcic</p> <p>DUE DATE:</p> <p>FREQUENCY: Once</p>

RESIDUAL
6.0
 MODERATE

INHERENT
20.0

R00021

CORPORATE SERVICES, FINANCIAL - OPERATIONAL, FINANCIAL - STRATEGIC

Inadequate Financial, Accounting or Business Acumen

Inadequate identification or quantification of financial exposure or risk associated with decisions to invest in land transactions, financial derivatives or investments or poor long term forecasting / assumptions. Examples include;

- Poor credit management (short or long term borrowing restricting capacity or flexibility).
- Ineffective market analysis (over or under estimating).
- Ineffective Business Planning (poor scope / competition analysis).
- Ineffective financial modelling, forecasting and projection techniques / processes.

OWNER Colin Young
 CREATED 7/1/2019 2:34:50 PM

LIKELIHOOD Likely
 SEVERITY Extreme
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00034
 Long Term Financial Plan in Place

SIGNOFF(S): Colin Young
 DUE DATE: 01 Jul 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00035
 Annual Budget adopted and aligned with long term financial plan

SIGNOFF(S): Colin Young
 DUE DATE: 31 Jul 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00036
 Investment strategy / policy in place

SIGNOFF(S): Colin Young
 DUE DATE: 01 Jul 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00037
 Manage Debtors - Identify Debtor Process to manage general debtors

CHANGE(S) PENDING
 SIGNOFF(S): Colin Young
 Kristy Hopkins
 DUE DATE: 01 Jul 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00038
 Arrange payment plans for Rates - Setup payment arrangement with Rate payer Process which ensures rate debts are collected / managed effectively

SIGNOFF(S): Colin Young
 Michelle Gaasdalen
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00039
 Develop Annual Budgets - Send Email Ensure budget process is managed effectively

CHANGE(S) PENDING
 SIGNOFF(S): Colin Young
 Kristy Hopkins
 DUE DATE: 29 Feb 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00040
 Manage Rates Recovery - Confirm rates outstanding Manage recovery of rated

CHANGE(S) PENDING
 SIGNOFF(S): Michelle Gaasdalen
 DUE DATE: 01 Jul 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00114
 Undertake a financial review every 3 years

SIGNOFF(S): Colin Young
 DUE DATE: 01 Jan 2025
 FREQUENCY: The first Day of every 36 months

RESIDUAL
6.0
 MODERATE

INHERENT
20.0

R00032

DEVELOPMENT SERVICES, HEALTH & SAFETY

Inadequate Organisation and Community Emergency Management

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;

- Lack of (or inadequate) emergency response plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

(References: AS 3745; AS 1851; AIIMS 4 Management Principles)

OWNER Chadd Hunt

CREATED 7/2/2019 1:42:30 PM

LIKELIHOOD Likely

SEVERITY Extreme

CONTROL EFFECTIVENESS Strong

TREATMENT MC00077

Functioning Local Emergency Management Committee, which meets quarterly

SIGNOFF(S):

Alex Espey
 Jacky Jurmann

DUE DATE:

31 Jan 2024

FREQUENCY:

The last Day of every 3 months

TREATMENT MC00078

Conduct at least 1 Emergency Management training exercise per year

SIGNOFF(S):

Alex Espey
 Jacky Jurmann

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00079

Conduct Inductions for Bush Fire Brigade Volunteer Members Annually

SIGNOFF(S):

Alex Espey
 Jacky Jurmann

DUE DATE:

01 Oct 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00080

Review Risk to Resources Document

SIGNOFF(S):

Alex Espey
 Jacky Jurmann

DUE DATE:

30 Sep 2025

FREQUENCY:

The last Day of every 24 months

RESIDUAL
6.0
 MODERATE

INHERENT
20.0

R00001

CHIEF EXECUTIVES OFFICE, COMPLIANCE - LEGISLATIVE

Failure to fulfil statutory, regulatory or compliance requirements

Council is exposed to reputation damage and serious breaches due to a failure to comply with legislative and compliance requirements

OWNER Debbie Terelinck
 CREATED 4/8/2019 2:46:49 PM

LIKELIHOOD Almost Certain
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00002

Audit of monthly compliance calendar

SIGNOFF(S): Britt Hadlow
 DUE DATE: 14 Dec 2023
 FREQUENCY: 14th day of every month

TREATMENT MC00007

Manage Inductions - Conduct New Employee Induction
 All new employees are provided with adequate inductions

CHANGE(S) PENDING
 SIGNOFF(S): Janice Byers
 DUE DATE: 08 Dec 2023
 FREQUENCY: Fri every week

TREATMENT MC00009

Monthly random internal audit of five (5) purchases to be performed to ensure compliance with purchasing requirements.

SIGNOFF(S): Britt Hadlow
 DUE DATE: 14 Dec 2023
 FREQUENCY: 14th day of every month

TREATMENT MC00058

Organisational Compliance Calendar in place and reviewed by Executive Management Group

SIGNOFF(S): Britt Hadlow
 DUE DATE: 01 Mar 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00059

Induction & Training provided to elected members

SIGNOFF(S): Britt Hadlow
 DUE DATE: 30 Nov 2025
 FREQUENCY: The last Day of every 24 months

TREATMENT MC00060

Complete Annual Compliance Return (Dept Local Government)

SIGNOFF(S): Britt Hadlow
 DUE DATE: 29 Feb 2024
 FREQUENCY: The last Day of every 12 months

RESIDUAL 6.0 MODERATE	DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL Shire of Northam activities result in increasing carbon emissions Council activities do not meet State & Federal emissions reduction targets.	TREATMENT MC00126 Develop and implement a climate mitigation and adaptation plan.	SIGNOFF(S): Jennifer Abbott Jacky Jurmann
	OWNER Chadd Hunt CREATED 2/20/2023 12:08:24 PM LIKELIHOOD Possible SEVERITY Minor CONTROL EFFECTIVENESS Deficiencies		DUE DATE: 30 Jun 2024 FREQUENCY: The last Day of every 12 months
INHERENT 6.0			
R00058			

RESIDUAL 4.8 MODERATE	ENGINEERING SERVICES, HEALTH & SAFETY - PUBLIC Unsafe Playground equipment Shire playgrounds are not to a an acceptable standard causing the following issues: - Play Equipment is unsafe, there is a chance of injuring users - Play Equipment may not be open to public if it is unsafe and require repairs - Community and visitors unsatisfied	TREATMENT MC00113 Regular playground inspections to be completed on a monthly basis.	SIGNOFF(S): Paul Devcic Keith Boase
	OWNER Paul Devcic CREATED 7/5/2022 4:11:10 PM LIKELIHOOD Likely SEVERITY Major CONTROL EFFECTIVENESS Strong		DUE DATE: 30 Nov 2023 FREQUENCY: The last Day of every month
INHERENT 16.0			
R00056			

RESIDUAL
4.8
MODERATE

INHERENT
16.0

R00036

AMP - TRANSPORT, HEALTH & SAFETY

Transport Assets not routinely inspected
No formal safety & maintenance inspection procedures exist

OWNER Paul Devcic
CREATED 7/15/2019 4:35:25 PM

LIKELIHOOD Likely
SEVERITY Major
CONTROL EFFECTIVENESS Strong

TREATMENT MC00088

Transport Assets to be routinely inspected every 3 years (includes sealed and unsealed roads, kerbs and table drains. Excludes footpaths and piped drainage network)

TREATMENT MC00096

Safety inspections carried out in response to Customer Service Requests by members of the public and Shire staff.

SIGNOFF(S): Paul Devcic
DUE DATE: 31 Jan 2024
FREQUENCY: The last Day of every 36 months

SIGNOFF(S): Paul Devcic
DUE DATE: 30 Nov 2023
FREQUENCY: The last Day of every 3 months

RESIDUAL
4.8
MODERATE

INHERENT
16.0

R00008

CHIEF EXECUTIVES OFFICE, REPUTATION - COMMUNITY

Not meeting community expectations
Community service expectations are not as a result of a failure to provide expected levels of service, events and benefit to the community. This includes where precedents have set Community perceptions or where services are generally expected.

OWNER Debbie Terelinck
CREATED 5/6/2019 1:56:25 PM

LIKELIHOOD Likely
SEVERITY Major
CONTROL EFFECTIVENESS Strong

TREATMENT MC00004

Review Corporate Business Plan annually to ensure reflects strategic community plan

TREATMENT MC00012

Undertake community surveying every two years focusing on community perception of service delivery

TREATMENT MC00013

Manage Customer Requests - Receive Request Ensuring that the organisation captures and responds appropriately to community and internal requests for works or services

SIGNOFF(S): Debbie Terelinck
DUE DATE: 30 Jun 2024
FREQUENCY: The last Day of every 12 months

NON-COMPLIANT
SIGNOFF(S): Debbie Terelinck
DUE DATE: 31 Aug 2023
FREQUENCY: The last Day of every 24 months

CHANGE(S) PENDING
SIGNOFF(S): Debbie Terelinck
Britt Hadlow
DUE DATE:
FREQUENCY: Once

RESIDUAL
4.8
 MODERATE

INHERENT
16.0

R00013

CORPORATE SERVICES, ENGINEERING SERVICES, ENVIRONMENTAL - BUILT, FINANCIAL - STRATEGIC, SERVICE INTERRUPTION

Inadequate Asset Management Practices

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet assets in addition to community use based assets including playgrounds, boat ramps and other maintenance based assets. Areas included in the scope are;

- Inadequate design (not fit for purpose).
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate or unsafe modifications.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

OWNER Debbie Terelinck
 CREATED 5/24/2019 2:29:02 PM

LIKELIHOOD Likely
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00018

Up to date and accurate transport management plan in place

SIGNOFF(S): Paul Devcic
 Colin Young
 DUE DATE: 01 Feb 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00019

Up to date and accurate building asset management plan in place

SIGNOFF(S): Paul Devcic
 Colin Young
 Shane Moorhead
 DUE DATE: 01 Jun 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00020

Up to date and accurate parks & reserves asset management plan in place

SIGNOFF(S): Paul Devcic
 Colin Young
 DUE DATE: 01 Sep 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00021

Long Term Financial Plan aligned to asset management plans

SIGNOFF(S): Colin Young
 DUE DATE: 01 Dec 2023
 FREQUENCY: The first Day of every 12 months

RESIDUAL
4.8
 MODERATE

INHERENT
16.0

R00022

CHIEF EXECUTIVES OFFICE, HEALTH & SAFETY - OCCUPATIONAL

Inadequate safety and security practices

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

OWNER Debbie Terelinck
 CREATED 7/1/2019 2:46:30 PM

LIKELIHOOD Likely
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00041

Undertake OHS Audit

SIGNOFF(S): Janice Byers
 DUE DATE: 01 Sep 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00042

Implement recommendations from OHS Audit & Report to Audit & Risk Committee

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 4 months

TREATMENT MC00043

WHS Committee Meeting Regularly

SIGNOFF(S): Janice Byers
 Joanne Griffiths
 DUE DATE: 31 Dec 2023
 FREQUENCY: The last Day of every 3 months

TREATMENT MC00044

Toolbox meetings occurring and discussing safety (attach minutes/notes to sign off)

SIGNOFF(S): Paul Devcic
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every month

TREATMENT MC00045

Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item)

OVERDUE
 SIGNOFF(S): Debbie Terelinck
 DUE DATE: 30 Sep 2023
 FREQUENCY: The last Day of every 6 months

TREATMENT MC00046

OHS Policy Framework in place and reviewed

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Aug 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00095

Undertake Workplace Safety Inspections - Undertake Inspection OSH inspections undertaken for each site.

CHANGE(S) PENDING
 SIGNOFF(S): Colin Young
 Paul Devcic
 Debbie Terelinck
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every month

<p>RESIDUAL 4.8 MODERATE</p> <p>INHERENT 16.0</p> <p>R00020</p>	<p>CORPORATE SERVICES, FINANCIAL - OPERATIONAL, FINANCIAL - STRATEGIC</p> <p>External Theft & Fraud (inc. Cyber Crime)</p> <p>Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;</p> <ul style="list-style-type: none"> • Fraud – benefit or gain by deceit • Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems • Theft – stealing of data, assets or information (no deceit) <p>OWNER Colin Young CREATED 7/1/2019 2:32:52 PM</p> <p>LIKELIHOOD Likely SEVERITY Major CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00111</p> <p>Fraud and Corruption Control Plan in place</p>	<p>SIGNOFF(S): Britt Hadlow Debbie Terelinck</p> <p>DUE DATE: 31 Jul 2025</p> <p>FREQUENCY: The last Weekday of every 24 months</p>
	<p>TREATMENT MC00156</p> <p>Incorrect bank details for payments - 100% of system changed reported on at end of month and signed off by Senior Finance Officer.</p>	<p>SIGNOFF(S): Kudzai Matanga</p> <p>DUE DATE: 30 Nov 2023</p> <p>FREQUENCY: The last Weekday of every month</p>	
<p>RESIDUAL 4.5 MODERATE</p> <p>INHERENT 15.0</p> <p>R00017</p>	<p>DEVELOPMENT SERVICES, HEALTH & SAFETY - PUBLIC</p> <p>Inadequate Organisation and Community Emergency Management</p> <p>Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;</p> <ul style="list-style-type: none"> • Lack of (or inadequate) emergency response plans. • Lack of training to specific individuals or availability of appropriate emergency response. • Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident. • Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc <p>(References: AS 3745; AS 1851; AIIMS 4 Management Principles)</p> <p>OWNER Chadd Hunt CREATED 6/19/2019 8:51:12 AM</p> <p>LIKELIHOOD Possible SEVERITY Extreme CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00027</p> <p>Establishment of a 'functional' Local Emergency Management Committee, which meets six monthly</p>	<p>SIGNOFF(S): Alex Espey</p> <p>DUE DATE: 31 Mar 2024</p> <p>FREQUENCY: The last Day of every 6 months</p>
	<p>TREATMENT MC00028</p> <p>Current Local Emergency Management Arrangements & Recovery Plan</p>	<p>SIGNOFF(S): Alex Espey Jacky Jurmann</p> <p>DUE DATE: 01 Nov 2024</p> <p>FREQUENCY: The first Day of every 24 months</p>	
	<p>TREATMENT MC00029</p> <p>Run annual emergency management exercise</p>	<p>OVERDUE</p> <p>SIGNOFF(S): Alex Espey Jacky Jurmann</p> <p>DUE DATE: 01 Nov 2023</p> <p>FREQUENCY: The first Day of every 12 months</p>	
	<p>TREATMENT MC00030</p> <p>Bush fire Risk Management Plan in Place</p>	<p>SIGNOFF(S): Alex Espey Jacky Jurmann</p> <p>DUE DATE: 01 Sep 2024</p> <p>FREQUENCY: The first Day of every 12 months</p>	
	<p>TREATMENT MC00031</p> <p>Fuel Loads risk register in place</p>	<p>OVERDUE</p> <p>SIGNOFF(S): Alex Espey Jacky Jurmann</p> <p>DUE DATE: 30 Sep 2023</p> <p>FREQUENCY: The last Day of every 12 months</p>	

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00002

CHIEF EXECUTIVES OFFICE, STRATEGIC - ORGANISATIONAL

Inappropriate Organisational Structure
 Unable to achieve organisational objectives as the Organisation is not structured appropriately

OWNER Debbie Terelinck
 CREATED 4/9/2019 11:32:51 AM

LIKELIHOOD Likely
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00003

Review Strategic Community Plan every two years (desktop) and four years (major). Reviews to coincide with new Council being elected

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Dec 2023
 FREQUENCY: The last Day of every 24 months

TREATMENT MC00004

Review Corporate Business Plan annually to ensure reflects strategic community plan

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 30 Jun 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00005

Review Human Resource Plan to ensure it is reflective of strategic community plan

SIGNOFF(S): Janice Byers
 DUE DATE: 31 May 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00006

Corporate Business Plan clearly articulates how organisational objectives will be achieved

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 30 Jun 2024
 FREQUENCY: The last Day of every 12 months

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00033

GENERAL, REPUTATION - COMMUNITY

Errors, Omissions & Delays

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process or potentially inadequate resources. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

OWNER Debbie Terelinck
 CREATED 7/2/2019 1:56:01 PM

LIKELIHOOD Likely
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00002

Audit of monthly compliance calendar

SIGNOFF(S): Britt Hadlow
 DUE DATE: 14 Dec 2023
 FREQUENCY: 14th day of every month

TREATMENT MC00007

Manage Inductions - Conduct New Employee Induction
 All new employees are provided with adequate inductions

CHANGE(S) PENDING
 SIGNOFF(S): Janice Byers
 DUE DATE: 08 Dec 2023
 FREQUENCY: Fri every week

TREATMENT MC00009

Monthly random internal audit of five (5) purchases to be performed to ensure compliance with purchasing requirements.

SIGNOFF(S): Britt Hadlow
 DUE DATE: 14 Dec 2023
 FREQUENCY: 14th day of every month

TREATMENT MC00083

Manage Inductions - Conduct New Employee Induction
 Ensure staff are inducted into the organisation

CHANGE(S) PENDING
 SIGNOFF(S): Janice Byers
 DUE DATE: 01 Oct 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00084

Have critical processes mapped to assist staff eliminate errors, omissions and delays (wastage)

SIGNOFF(S): Britt Hadlow
 DUE DATE: 01 Dec 2023
 FREQUENCY: The first Day of every 12 months

RESIDUAL
3.6
LOW

INHERENT
12.0

R00034

COMMUNITY SERVICES, COMPLIANCE - POLICY, REPUTATION -
COMMUNITY

Ineffective Management of Facilities / Venues / Events

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

OWNER David Emery

CREATED 7/2/2019 2:05:05 PM

LIKELIHOOD Likely

SEVERITY Medium

CONTROL EFFECTIVENESS Strong

TREATMENT MC00085

Manage Facilities & Bookings - Receive enquiry and determine which Department is responsible for administering the booking.
Process for managing bookings to ensure no duplication

CHANGE(S) PENDING

SIGNOFF(S):

David Emery

DUE DATE:

01 Sep 2024

FREQUENCY:

The first Day of every 12 months

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00035

CHIEF EXECUTIVES OFFICE, COMPLIANCE - LEGISLATIVE, REPUTATION - COMMUNITY, REPUTATION - INDUSTRY

Misconduct/Fraud

Intentional activities (including fraud) in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

OWNER Debbie Terelinck
 CREATED 7/2/2019 2:09:25 PM

LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00007

Manage Inductions - Conduct New Employee Induction
 All new employees are provided with adequate inductions

CHANGE(S) PENDING

SIGNOFF(S): Janice Byers
 DUE DATE: 08 Dec 2023
 FREQUENCY: Fri every week

TREATMENT MC00059

Induction & Training provided to elected members

SIGNOFF(S): Britt Hadlow
 DUE DATE: 30 Nov 2025
 FREQUENCY: The last Day of every 24 months

TREATMENT MC00087

Manage Procurement - Identify need for procurement
 Process minimises opportunity for misconduct

SIGNOFF(S): Colin Young
 Kristy Hopkins
 DUE DATE: 01 Oct 2024
 FREQUENCY: The first Day of every 12 months

TREATMENT MC00102

Fraud Control Plan in place (refer OAG 2019/20 Report 5 - Fraud Prevention)

SIGNOFF(S): Britt Hadlow
 DUE DATE: 28 Feb 2025
 FREQUENCY: The last Day of every 24 months

TREATMENT MC00158

Review Employee IT Security Access on a quarterly basis

SIGNOFF(S): Kunal Sarma
 DUE DATE: 01 Feb 2024
 FREQUENCY: The first Weekday of every 3 months

<p>RESIDUAL 3.6 LOW</p> <p>INHERENT 12.0</p> <p>R00037</p>	<p>AMP - TRANSPORT, ENVIRONMENTAL - BUILT</p> <p>Asset Inventories inaccurate Asset inventories are not up to date and therefore inaccurate resulting in poor decision making</p> <p>OWNER Paul Devcic CREATED 7/15/2019 4:40:29 PM LIKELIHOOD Likely SEVERITY Medium CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00018</p> <p>Up to date and accurate transport management plan in place</p>	<p>SIGNOFF(S): Paul Devcic Colin Young DUE DATE: 01 Feb 2025 FREQUENCY: The first Day of every 24 months</p>
	<p>OWNER Paul Devcic CREATED 7/15/2019 4:40:29 PM LIKELIHOOD Likely SEVERITY Medium CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00019</p> <p>Up to date and accurate building asset management plan in place</p>	<p>SIGNOFF(S): Paul Devcic Colin Young Shane Moorhead DUE DATE: 01 Jun 2025 FREQUENCY: The first Day of every 24 months</p>
		<p>TREATMENT MC00020</p> <p>Up to date and accurate parks & reserves asset management plan in place</p>	<p>SIGNOFF(S): Paul Devcic Colin Young DUE DATE: 01 Sep 2025 FREQUENCY: The first Day of every 24 months</p>

<p>RESIDUAL 3.6 LOW</p> <p>INHERENT 12.0</p> <p>R00038</p>	<p>AMP - TRANSPORT, ENVIRONMENTAL - BUILT</p> <p>Inaccurate Asset Valuations Valuations are carried out, however inaccurate resulting in impact on Council decision making and financial ratios</p> <p>OWNER Colin Young CREATED 7/15/2019 4:47:14 PM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00090</p> <p>Revaluations of Council Building Assets (Fair Value)</p>	<p>SIGNOFF(S): Colin Young DUE DATE: 01 Feb 2027 FREQUENCY: The first Day of every 60 months</p>
	<p>OWNER Colin Young CREATED 7/15/2019 4:47:14 PM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00091</p> <p>Revaluations of Council Transport Infrastructure Assets (Fair Value)</p>	<p>SIGNOFF(S): Colin Young DUE DATE: 30 Jun 2028 FREQUENCY: The last Day of every 60 months</p>
		<p>TREATMENT MC00092</p> <p>Revaluation of Council Plant & Equipment</p>	<p>SIGNOFF(S): Colin Young DUE DATE: 01 Oct 2025 FREQUENCY: The first Day of every 60 months</p>

RESIDUAL 3.6 LOW	GENERAL, REPUTATION - COMMUNITY	TREATMENT MC00007 Manage Inductions - Conduct New Employee Induction All new employees are provided with adequate inductions	CHANGE(S) PENDING SIGNOFF(S): Janice Byers DUE DATE: 08 Dec 2023 FREQUENCY: Fri every week
	INHERENT 12.0	Providing inaccurate advice / information to stakeholders Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct. Examples include; <ul style="list-style-type: none"> • incorrect planning, development or building advice, • incorrect health or environmental advice • inconsistent messages or responses from Customer Service Staff • any advice that is not consistent with legislative requirements, local laws or policies. OWNER Debbie Terelinck CREATED 7/2/2019 1:27:54 PM LIKELIHOOD Likely SEVERITY Medium CONTROL EFFECTIVENESS Strong	TREATMENT MC00013 Manage Customer Requests - Receive Request Ensuring that the organisation captures and responds appropriately to community and internal requests for works or services
R00031		TREATMENT MC00051 Manage Staff Training - Identify Training Needs Ensure staff training needs are identified and met	CHANGE(S) PENDING SIGNOFF(S): Janice Byers DUE DATE: 31 Oct 2024 FREQUENCY: The last Day of every 12 months
RESIDUAL 3.6 LOW	AMP - BUILDINGS, ENVIRONMENTAL - BUILT, HEALTH & SAFETY	TREATMENT MC00019 Up to date and accurate building asset management plan in place	SIGNOFF(S): Paul Devcic Colin Young Shane Moorhead DUE DATE: 01 Jun 2025 FREQUENCY: The first Day of every 24 months
	INHERENT 12.0	Condition of buildings is unknown Council is unclear as to the condition of its building assets and therefore unable to make informed decisions, resulting in poor building condition and building safety concerns OWNER Paul Devcic CREATED 7/16/2019 11:26:43 AM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00090 Revaluations of Council Building Assets (Fair Value)
R00041		TREATMENT MC00093 Develop and maintain medium term building maintenance program to ensure future costs are understood	SIGNOFF(S): Shane Moorhead DUE DATE: 01 Nov 2024 FREQUENCY: The first Day of every 12 months

RESIDUAL 3.6 LOW	AMP - BUILDINGS, FINANCIAL - OPERATIONAL Future financial requirements for buildings unknown Council fails to understand and plan for future building maintenance / expansion requirements	TREATMENT MC00019 Up to date and accurate building asset management plan in place	SIGNOFF(S): Paul Devcic Colin Young Shane Moorhead DUE DATE: 01 Jun 2025 FREQUENCY: The first Day of every 24 months
	OWNER Debbie Terelinc CREATED 7/16/2019 11:28:36 AM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00021 Long Term Financial Plan aligned to asset management plans	SIGNOFF(S): Colin Young DUE DATE: 01 Dec 2023 FREQUENCY: The first Day of every 12 months
INHERENT 12.0 R00042		TREATMENT MC00034 Long Term Financial Plan in Place	SIGNOFF(S): Colin Young DUE DATE: 01 Jul 2024 FREQUENCY: The first Day of every 12 months
		TREATMENT MC00035 Annual Budget adopted and aligned with long term financial plan	SIGNOFF(S): Colin Young DUE DATE: 31 Jul 2024 FREQUENCY: The last Day of every 12 months

RESIDUAL 3.6 LOW	AMP - BUILDINGS, FINANCIAL - OPERATIONAL Maintenance not planned Planned Maintenance & operation schedules, with budgets, do not exist, resulting in long term financial costs and asset deterioration	TREATMENT MC00019 Up to date and accurate building asset management plan in place	SIGNOFF(S): Paul Devcic Colin Young Shane Moorhead DUE DATE: 01 Jun 2025 FREQUENCY: The first Day of every 24 months
	OWNER Paul Devcic CREATED 7/16/2019 11:36:36 AM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00035 Annual Budget adopted and aligned with long term financial plan	SIGNOFF(S): Colin Young DUE DATE: 31 Jul 2024 FREQUENCY: The last Day of every 12 months
INHERENT 12.0 R00044			

RESIDUAL 3.6 LOW	AMP - BUILDINGS, FINANCIAL - STRATEGIC Financial sustainability performance indicators not met The asset class does not meet the established financial performance parameters, resulting in an indication of asset sustainability	TREATMENT MC00019 Up to date and accurate building asset management plan in place	SIGNOFF(S): Paul Devcic Colin Young Shane Moorhead DUE DATE: 01 Jun 2025 FREQUENCY: The first Day of every 24 months
	INHERENT 12.0 R00045	OWNER Debbie Terelinck CREATED 7/16/2019 11:38:59 AM LIKELIHOOD Likely SEVERITY Medium CONTROL EFFECTIVENESS Strong	TREATMENT MC00021 Long Term Financial Plan aligned to asset management plans
		TREATMENT MC00090 Revaluations of Council Building Assets (Fair Value)	SIGNOFF(S): Colin Young DUE DATE: 01 Feb 2027 FREQUENCY: The first Day of every 60 months
		TREATMENT MC00091 Revaluations of Council Transport Infrastructure Assets (Fair Value)	SIGNOFF(S): Colin Young DUE DATE: 30 Jun 2028 FREQUENCY: The last Day of every 60 months

RESIDUAL 3.6 LOW	MAJOR PROJECTS, FINANCIAL - OPERATIONAL, HEALTH & SAFETY, PROPERTY - LIABILITY, REPUTATION - COMMUNITY, STRATEGIC - COMMUNITY Aquatic Facility - Ineffective Project Management Aquatic Facility Project not managed effectively	TREATMENT MC00053 Project management framework in place, providing parameters for staff to operate within	SIGNOFF(S): Debbie Terelinck DUE DATE: 31 Jul 2024 FREQUENCY: The last Day of every 12 months
	INHERENT 12.0 R00048	OWNER Debbie Terelinck CREATED 9/14/2020 2:23:26 PM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00054 Prepare Elected Members Monthly Report - Publish Monthly Report Major Project status reporting to Council (through monthly elected member report)
		TREATMENT MC00064 Independent Project Superintendent appointed with requisite skills to acknowledge scale and complexity of this project	SIGNOFF(S): Debbie Terelinck DUE DATE: FREQUENCY: Once
		TREATMENT MC00067 Construction project progress reports to be provided	SIGNOFF(S): Debbie Terelinck DUE DATE: FREQUENCY: Once

TREATMENT MC00068 Project Superintendent (Donovan Payne) reports to be provided monthly	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once
TREATMENT MC00069 Financial variations to be signed off by Project Manager	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once
TREATMENT MC00070 All request for information and clarification to be signed off / cited by Council Project Manager	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once
TREATMENT MC00071 Project assessment / evaluation to be undertaken at completion and reported to audit committee	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once
TREATMENT MC00074 Project time delays to be signed off in accordance with contract	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00049

MAJOR PROJECTS, HEALTH & SAFETY - OCCUPATIONAL

Aquatic Facility - Insufficient OHS in place for project
 Contractor has insufficient systems, processes and practices in place to manage site OHS effectively for the Aquatic Facility Project

OWNER Debbie Terelinck
 CREATED 9/14/2020 2:26:32 PM

LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00065 OHS report required from contractor, including details of site their own OHS site inspections	SIGNOFF(S): DUE DATE: FREQUENCY:	Debbie Terelinck Once
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RESIDUAL
3.6
 LOW

INHERENT
12.0

R00050

MAJOR PROJECTS, COMPLIANCE - LEGISLATIVE

Aquatic Facility - Inadequate Construction Contract

Aquatic Facility Project construction contract not adequate which exposes Council to contract risk through the construction phase

OWNER Debbie Terelinck
 CREATED 9/14/2020 2:27:38 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00052

MAJOR PROJECTS, COMPLIANCE - LEGISLATIVE, FINANCIAL - STRATEGIC

Sale of 239 Yilgarn Avenue - Contract Requirements not satisfied

239 Yilgarn Avenue sale of land does not proceed as a result of non compliance with contract requirements

OWNER Debbie Terelinck
 CREATED 9/14/2020 2:31:42 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00094

The Buyer shall submit a Development Application within six calendar months of the contract date

SIGNOFF(S): Debbie Terelinck

DUE DATE:

FREQUENCY: Once

RESIDUAL
3.0
 LOW

INHERENT
10.0

R00054

ENGINEERING SERVICES, SERVICE INTERRUPTION

PPOSAMP Service Levels Interruption
 Identify and budget for assets reaching end of life there will likely be service interruptions with delayed replacement timeframes.

OWNER Paul Devcic
 CREATED 12/2/2020 9:37:11 AM

LIKELIHOOD Almost Certain
 SEVERITY Minor
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00106
 Review Asset Management plan every two years.

SIGNOFF(S): Keith Boase
 DUE DATE: 01 Oct 2024
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00107
 Ensure asset management plan financial requirements are included in long term financial plan

SIGNOFF(S): Keith Boase
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00108
 Ensure asset management plan financial requirements are included in annual budget

SIGNOFF(S): Keith Boase
 DUE DATE: 01 Jun 2024
 FREQUENCY: The first Day of every 12 months

RESIDUAL
2.7
 LOW

INHERENT
9.0

R00057

GENERAL, COMPLIANCE - POLICY

Up to date Council Policy
 Failure to review policies bi-annually.

OWNER Debbie Terelinck
 CREATED 1/4/2023 3:39:02 PM

LIKELIHOOD Possible
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00115
 Review Governance Policies.

SIGNOFF(S): Debbie Terelinck
 Britt Hadlow
 Janice Byers
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00116
 Review Community Support Policies.

SIGNOFF(S): David Emery
 Jaime Hawkins
 Louisa Dyer
 Britt Hadlow
 DUE DATE: 30 Jun 2024
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00117
 Review Finance / Accounting policies.

SIGNOFF(S): Colin Young
 Kudzai Matanga
 Kristy Hopkins
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00118
 Review Works policies.

SIGNOFF(S): Paul Devcic
 Helen Singh
 Santo Leotta
 Keith Boase
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00119
 Review Health Policies.

SIGNOFF(S): Gordon Tester
 Jacky Jurmann
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00120
 Review Planning Policies

SIGNOFF(S): Jacky Jurmann
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00121
 Review Building Policies.

SIGNOFF(S): Gordon Tester
 Jacky Jurmann
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

TREATMENT MC00122
 Review Administration Policies.

SIGNOFF(S): Britt Hadlow
 Debbie Terelinck
 Alex Espey
 Jacky Jurmann
 DUE DATE: 30 Jun 2025
 FREQUENCY: 30th day of every 24 months

RESIDUAL
2.7
 LOW

INHERENT
9.0

R00024

CHIEF EXECUTIVES OFFICE, COMPLIANCE - POLICY, FINANCIAL - OPERATIONAL, HEALTH & SAFETY - OCCUPATIONAL

Inadequate Project Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.

OWNER Debbie Terelinck
 CREATED 7/1/2019 3:20:45 PM

LIKELIHOOD Possible
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00053

Project management framework in place, providing parameters for staff to operate within

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Jul 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00054

Prepare Elected Members Monthly Report - Publish Monthly Report
 Major Project status reporting to Council (through monthly elected member report)

CHANGE(S) PENDING
 SIGNOFF(S): Tamika Van Beek
 DUE DATE: 15 Dec 2023
 FREQUENCY: 15th day of every month

TREATMENT MC00055

Internal audit of project and major project (as defined by corporate business plan) management framework compliance.

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 May 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00057

Manage Major Projects - Project Performance and Control
 Provides process for managing projects

CHANGE(S) PENDING
 SIGNOFF(S): Paul Devcic
 Debbie Terelinck
 DUE DATE: 30 Sep 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00159

Review project management framework to ensure it remains appropriate/relevant.

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 12 months

RESIDUAL
2.7
 LOW

INHERENT
9.0

R00025

CHIEF EXECUTIVES OFFICE, COMMUNITY SERVICES, CORPORATE SERVICES, DEVELOPMENT SERVICES, ENGINEERING SERVICES, FINANCIAL - OPERATIONAL, HEALTH & SAFETY - OCCUPATIONAL, SERVICE INTERRUPTION

Inadequate Supplier / Contract Management

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer "Inadequate Procurement, Disposal or Tender Practices".

OWNER Colin Young

CREATED 7/1/2019 3:54:58 PM

LIKELIHOOD Possible

SEVERITY Medium

CONTROL EFFECTIVENESS Strong

TREATMENT MC00160

Have an external legal review of standard contract documents every three years.

SIGNOFF(S):

Kristy Hopkins

DUE DATE:

31 Jul 2024

FREQUENCY:

The first Day of every 36 months

TREATMENT MC00161

Internal audit of one major contract for compliance every 12 months.

SIGNOFF(S):

Kristy Hopkins
 Britt Hadlow

DUE DATE:

31 Aug 2024

FREQUENCY:

The last Day of every 12 months

RESIDUAL
2.7
 LOW

INHERENT
9.0

R00003

CHIEF EXECUTIVES OFFICE, STRATEGIC - ORGANISATIONAL

Ineffective People Management / Employment Practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

OWNER Debbie Terelinck
 CREATED 5/6/2019 1:23:01 PM

LIKELIHOOD Possible
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00007

Manage Inductions - Conduct New Employee Induction
 All new employees are provided with adequate inductions

CHANGE(S) PENDING

SIGNOFF(S): Janice Byers
 DUE DATE: 08 Dec 2023
 FREQUENCY: Fri every week

TREATMENT MC00049

100% of annual performance reviews undertaken

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Dec 2023
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00050

Manage Employee Termination - Receive notification
 Ensuring that employee terminations are managed appropriately and equitably to minimise risk of further action

SIGNOFF(S): Janice Byers
 DUE DATE: 01 Jan 2024
 FREQUENCY: The first Day of every 3 months

TREATMENT MC00051

Manage Staff Training - Identify Training Needs
 Ensure staff training needs are identified and met

CHANGE(S) PENDING

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Oct 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00052

Manage Employee Discipline / Misconduct - Receive Notification / Identify Misconduct
 Ensure any / all staff misconduct in managed effectively and consistently

CHANGE(S) PENDING

SIGNOFF(S): Debbie Terelinck
 Colin Young
 Paul Devcic
 Chadd Hunt
 DUE DATE: 01 Jan 2024
 FREQUENCY: The first Day of every 3 months

RESIDUAL
2.4
LOW

INHERENT
8.0

R00014

GENERAL, SERVICE INTERRUPTION

Business Interruption

A local physical event causing the inability to continue business activities and provide services to the community. This may or may not result in Business Continuity Plans to be invoked.

This does not include disruptions due to:

- IT Systems or infrastructure related failures should be captured under "Failure of IT Systems and Infrastructure".
- Contractor / Supplier issues should be captured under "Inadequate Supplier / Contract Management".
- People issues should be captured under "Inappropriate People Management".

OWNER Debbie Terelinck

CREATED 5/24/2019 2:43:56 PM

LIKELIHOOD Unlikely

SEVERITY Major

CONTROL EFFECTIVENESS Strong

TREATMENT MC00022

Business Continuity Plan in place and up to date

SIGNOFF(S):

Britt Hadlow
Debbie Terelinck

DUE DATE:

01 Nov 2024

FREQUENCY:

The first Day of every 48 months

7.7 Risk Register Review - Health & Safety

File Reference:	8.2.7.1
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

For the Committee to endorse the review of the "Health & Safety" risk section of the Shire of Northam Risk Register for consideration by Council.

ATTACHMENTS

1. Health & Safety - Risk Register [7.7.1 - 12 pages]

A. BACKGROUND / DETAILS

The Shire of Northam has an organisation-wide risk register that has been developed over a long 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 to receive focus to ensure Council is aware of the identified risks and treatments 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.

The Shire's Risk Register is categorised into the following sections, with the intent to review one section at each Audit and Risk Committee meeting (red indicates review completed, bold is the review in this agenda item):

1. Compliance – Review Completed
 - a. Legislation
 - b. Policy
2. Environmental – Review Completed
 - a. Built
 - b. Natural
3. Financial
 - a. Operating
 - b. Strategic

- 4. Health & Safety**
 - a. General
 - b. Occupational
 - c. Bush Fire Volunteers
 - d. Public
- 5. Property
 - a. Damage
 - b. Liability
- 6. Reputation
 - a. Community
 - b. Industry
- 7. Strategic
 - a. Community
 - b. Organisational

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

Each of the mitigation actions has been incorporated into annual delivery plans with appropriate budgets and time allocations to ensure achievable.

B.3 Legislative Compliance

AS/NZS ISO 31000:2018

B.4 Policy Implications

Policy G1.11 – Risk Management

B.5 Stakeholder Engagement / Consultation

Appropriate staff have been included in the review of the register.

B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Nil.		
Health & Safety	Nil.		

Reputation	Negative community perception due to lack of adequate risk management practices within the Shire of Northam	Minor(2) x Possible(3) = Moderate(6)	Per recommendation within this report
Service Interruption	Nil.		
Compliance	Nil.		
Property	Nil.		
Environment	Nil.		

B.7 Natural Environment Considerations

Nil.

C. OFFICER'S COMMENT

The health and safety risk register category is split into general, bush fire volunteers, occupational, people and public. Officers have made recommendations after reviewing their respective risks and treatments.

General		
Risk	Treatment	Recommendation
R00032 Inadequate Organisation and Community Emergency Management R00032 appears to be a duplicate of R00017 (see detail in Public section). Recommending to remove this risk and all related risk treatments can be removed.	MC00077 Functioning Local Emergency Management Committee, which meets quarterly.	Remove. This risk treatment covered by MC00027. (Ref: R00017)
	MC00078 Conduct at least 1 Emergency Management training exercise per year.	Remove. This risk treatment covered by MC00029. (Ref: R00017)
	MC00079 Conduct Inductions for Bush Fire Brigade Volunteer Members Annually.	Remove. This risk treatment covered by MC00155. (Ref: R00066)
	MC00080 Review Risk to Resources Document	This document is no longer required.
R00036	MC00088	

Transport Assets not routinely inspected	Transport Assets to be routinely inspected every 3 years (includes sealed and unsealed roads, kerbs and table drains. Excludes footpaths and piped drainage network).	
	MC00096 Safety inspections carried out in response to Customer Service Requests by members of the public and Shire staff.	
R00041 Condition of buildings is unknown.	MC00019 Up to date and accurate building asset management plan in place.	
	MC00090 Revaluations of Council Building Assets (Fair Value).	
	MC00093 Develop and maintain medium term building maintenance program to ensure future costs are understood.	
R00048 Aquatic Facility - Ineffective Project Management The project to deliver the new Northam Aquatic Facility is completed and this risk and all related risk treatments can be removed.	MC00053 Project management framework in place, providing parameters for staff to operate within.	Remove.
	MC00054 Prepare Elected Members Monthly Report - Publish Monthly Report. Major Project status reporting to Council (through monthly elected member report).	Remove.
	MC00064 Independent Project Superintendent appointed with requisite skills to acknowledge scale and complexity of this project.	Remove.
	MC00067 Construction project progress reports to be provided.	Remove.
	MC00068 Project Superintendent (Donovan Payne) reports to be provided monthly.	Remove.
	MC00069	Remove.

	Financial variations to be signed off by Project Manager.	
	MC00070 All request for information and clarification to be signed off / cited by Council Project Manager.	Remove.
	MC00071 Project assessment / evaluation to be undertaken at completion and reported to audit committee.	Remove.
	MC00074 Project time delays to be signed off in accordance with contract	Remove.

Occupational		
Risk	Treatment	Recommendation
R00022 Inadequate safety and security practices	MC00041 Undertake OHS Audit.	Change to "OHS" to "WHS".
	MC00042 Implement recommendations from OHS Audit & Report to Audit & Risk Committee.	Change treatment to Provide a progress update on the implementation of the recommendations from the 2023 WHS Audit to every second meeting of the Audit & Risk Management Committee.
	MC00043 WHS Committee Meeting Regularly.	
	MC00044 Toolbox meetings occurring and discussing safety (attach minutes/notes to sign off).	
	MC00045 Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item).	Remove this treatment due to the CEO being the chair of the WHS Committee meeting, and the Executive Managers are members of the Committee. The WHS system and procedures are monitored through the WHS Committee.

	MC00046 OHS Policy Framework in place and reviewed.	Change "OHS" to "WHS"
	MC00095 Undertake Workplace Safety Inspections - Undertake Inspection. OSH inspections undertaken for each site.	Need to add Acting Executive Manager, Community Services and Executive Manager, Development Services to treatment sign off for their work areas. Current sign offs are: Exec. Man. Corporate Services Exec. Man. Engineering Services Chief Executive Officer Change "OHS" to "WHS"
R00024 Inadequate Project Management	MC00053 Project management framework in place, providing parameters for staff to operate within.	
	MC00054 Prepare Elected Members Monthly Report - Publish Monthly Report. Major Project status reporting to Council (through monthly elected member report).	
	MC00055 Internal audit of project and major project (as defined by corporate business plan) management framework compliance.	
	MC00057 Manage Major Projects - Project Performance and Control. Provides process for managing projects.	Remove this treatment as it is duplicated by Treatment MC00053 and MC00055.
	MC00159 Review project management framework to ensure it remains appropriate/relevant.	Remove as this treatment as it is duplicated by Treatment MC00053.
R00049	MC00065	Remove.

<p>Aquatic Facility - Insufficient OHS in place for project</p> <p>The project to deliver the new Northam Aquatic Facility is completed and this risk and all related risk treatments can be removed.</p>	<p>OHS report required from contractor, including details of site their own OHS site inspections</p>	
<p><u>R00025</u> Inadequate Supplier / Contract Management</p>	<p>MC00160 Have an external legal review of standard contract documents every three years.</p> <p>MC00161 Internal audit of one major contract for compliance every 12 months.</p>	

Bush Fire Volunteers		
Risk	Treatment	Recommendation
<p><u>R00064</u> Farmer Response</p>	<p>MC00133 Marketing to encourage farmers to have protective clothing in their vehicles in case of a fire emergency. Social media campaign to be developed to commence September annually in the lead up to fire season.</p> <p>MC00134 Provide Shire of Northam Fire appliance with one spare set of PPE (confirm with brigade captains).</p> <p>MC00135 Memo to Leadership Team and FCO's reminding them of importance of effective coordination on active fire grounds by ensuring fire control officers and brigade members are aware of importance of the sector commander or incident controller recording private fire units and of sectorising fires early.</p>	

	<p>MC00136 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.</p>	
	<p>MC00137 Encourage young people (farmers) to become members of bushfire brigades through annual social media campaign.</p>	
	<p>MC00138 Investigate potential incentives to attract volunteers</p>	
<p><u>R00065</u> Fire Station, Appliances & Equipment</p>	<p>MC00139 Undertake monthly workplace inspections of fire stations undertaken by Brigade captains of another appropriate brigade member.</p>	
	<p>MC00140 Pre-season safety inspection of fire stations.</p>	
	<p>MC00141 Provide manual handling training / refreshers to all volunteers. May be in person or provision of online refresher opportunity.</p>	
	<p>MC00142 Ensure weekly inspections of fire appliance is being undertaken during fire season.</p>	
	<p>MC00143 Undertake pre-season check of all appliances by qualified mechanic.</p>	
	<p>MC00144 Provide vehicle report forms to all brigades to ensure damage or maintenance requirements are being identified.</p>	
	<p>MC00145 Provide access to off-road training to all volunteers.</p>	
	<p>MC00146</p>	



	Memo to all brigade members in relation to requirement for bushfire appliance operators to obey road rules when on public roads at all times, unless an exemption is provided due to driver having undertaken necessary training.	
	MC00147 Provide washing machines at all Fire Stations and encourage / recommend that all PPE be washed on site	
	MC00148 Provide 2 sets of PPE to all active brigade members on their request.	
R00066 Volunteer Training	MC00149 Ensure minimum training standards for bushfire volunteers, including the leadership team, are endorsed by Council.	
	MC00151 Have standard operating procedures in place	
	MC00152 Ensure adequate training assessors are approved by DFES for the Shire of Northam.	
	MC00153 Provide volunteers with access to flexible training arrangements, with a particular focus on weeknight training to suit volunteers.	
	MC00154 Require minimum training before a volunteer can be active on the fire ground (utilising DFES guidelines) - reminder to be sent to all captains and volunteers.	
	MC00155 All volunteers to be required to undertake pre-season competency based training / annual induction prior to start of fire season.	
	MC00157	



	Review training records/registers to ensure they are up to date and utilised to identify training requirements.	
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Public		
Risk	Treatment	Recommendation
<u>R00056</u> Unsafe Playground equipment Remove this risk from the Risk Register and associated treatments as it is part of core operational business and is not required to be reported at Council level.	MC00113 Regular playground inspections to be completed on a monthly basis.	Remove.
<u>R00017</u> Inadequate Organisation and Community Emergency Management	MC00027 Establishment of a 'functional' Local Emergency Management Committee, which meets six monthly.	Change this risk treatment to Establishment of a 'functional' Local Emergency Management Committee, which meets which meets quarterly to bring into line with legislation.
	MC00028 Current Local Emergency Management Arrangements & Recovery Plan.	
	MC00029 Run annual emergency management exercise.	
	MC00030 Bush fire Risk Management Plan in Place.	
	MC00031 Fuel Loads risk register in place.	
<u>R00059</u> River Water Quality	Manage River Water Sampling - Prepare items required items to conduct sampling. Ensure river sampling is conducted and results assessed.	



	Ensure communication and signage is adequate with community.	
R00060 Re-use water quality	Manage Reclaimed Water Sampling - Receive results. Ensure procedures are followed for sampling.	
R00055 Inadequate Cleaning of Shire Facilities Remove this risk from the Risk Register and associated treatments as this risk is managed under Tender and Contract Management (R00025)	MC00109 Manage public tenders (RFT) for purchases over \$250,000 Excl. GST - Prepare Tender. Conduct a public tender as per the Manage Tenders Process and in line with the Shire's Procurement Policy F4.2.	
	MC00110 Have a contract in place for regular cleaning schedule in place in accordance with best cleaning practices Monthly inspection of toilets to be undertaken by Council staff.	

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.272

Moved: Cr M P Ryan

Seconded: Cr H J Appleton

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

- 1. That Council confirms the 'Health & Safety' risk register as presented with the following amendments:**
 - a. Change any reference to the *Occupational Health & Safety Act 1985* to the *Work Health & Safety Act 2020*.**
 - b. Change any reference of "OSH" to "WHS".**
 - c. Archiving risk R00032 "Inadequate Organisation and Community Emergency Management" and associated risk treatments.**
 - d. Archiving risk R00048 "Aquatic Facility - Ineffective Project Management" and associated risk treatments.**
 - e. Amend risk treatment MC00042 "Implement recommendations from OHS Audit & Report to Audit & Risk Committee" to "Provide a progress update on the implementation of the recommendations from the 2023 WHS Audit to every second meeting of the Audit & Risk Committee."**

- f. Archive risk treatment MC00045 “Senior Management Meeting (where the OSH system is reviewed and KPI’s are measured as an agenda item).”
- g. Add Acting Executive Manager, Community Services and Executive Manager, Development Services as “sign offs” to Risk Treatment M00095.
- h. Archiving risk treatment MC00057 “Manage Major Projects - Project Performance and Control. Provides process for managing projects.”
- i. Archiving risk treatment MC00159 “Review project management framework to ensure it remains appropriate/relevant.”
- j. Archiving risk R00049 “Aquatic Facility - Insufficient OHS in place for project” and associated risk treatments.
- k. Archiving risk R00056 “Unsafe Playground equipment” and associated risk treatment.
- l. Amend MC00027 “Establishment of a 'functional' Local Emergency Management Committee, which meets six monthly” to “Establishment of a 'functional' Local Emergency Management Committee, which meets quarterly”.
- m. Archiving risk R00055 “Inadequate Cleaning of Shire Facilities” and associated risk treatments.

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Clarification was sought in relation to:

- Are all of these changes in relation to removing duplicate risks and archiving expired risks?

The Chief Executive Officer confirmed this is correct, in addition to a change in terminology from OSH to WHS.



Filter: Classification(s): Health & Safety, Health & Safety - Occupational, Health & Safety - Public, Health & Safety - Bushfire Volunteers, Health & Safety - People

RESIDUAL 15.0 EXTREME	GENERAL, HEALTH & SAFETY - PUBLIC River Water Quality Risk of public swimming in river during times of poor river quality and becoming unwell.	TREATMENT MC00124 Manage River Water Sampling - Prepare items required items to conduct sampling Ensure river sampling is conducted and results assessed. Ensure communication and signage is adequate with community.	CHANGE(S) PENDING SIGNOFF(S): Susan Burley DUE DATE: 01 Feb 2024 FREQUENCY: 1st day of every 12 months
	OWNER Chadd Hunt CREATED 2/20/2023 12:18:55 PM LIKELIHOOD Possible SEVERITY Extreme CONTROL EFFECTIVENESS Deficiencies		
INHERENT 15.0 R00059			

RESIDUAL 12.0 EXTREME	GENERAL, HEALTH & SAFETY - PUBLIC Re-use water quality Ensure re-use water quality meets Department of Health licensing requirements.	TREATMENT MC00125 Manage Reclaimed Water Sampling - Receive results Ensure procedures are followed for sampling.	CHANGE(S) PENDING SIGNOFF(S): Gordon Tester Neil Travers Paul Todd George Johnson Sean Cope Keith Boase Susan Burley DUE DATE: 01 Feb 2024 FREQUENCY: 1st day of every 12 months
	OWNER Chadd Hunt CREATED 2/20/2023 12:23:15 PM LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Deficiencies		
INHERENT 12.0 R00060			

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00064

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Farmer Response

Risk associated with farmers turning out to fires

OWNER Chadd Hunt

CREATED 7/21/2023 1:47:37 PM

LIKELIHOOD Possible

SEVERITY Major

CONTROL EFFECTIVENESS Adequate

TREATMENT MC00133

Marketing to encourage farmers to have protective clothing in their vehicles in case of a fire emergency. Social media campaign to be developed to commence September annually in the lead up to fire season

SIGNOFF(S):

Alex Espey
Chadd Hunt

DUE DATE:

25 Aug 2024

FREQUENCY:

25th day of every 12 months

TREATMENT MC00134

Provide Shire of Northam Fire appliance with one spare set of PPE. (confirm with brigade captains)

SIGNOFF(S):

Alex Espey
Chadd Hunt

DUE DATE:

30 Aug 2024

FREQUENCY:

30th day of every 12 months

TREATMENT MC00135

Memo to Leadership Team and FCO's reminding them of importance of effective coordination on active fire grounds by ensuring fire control officers and brigade members are aware of importance of the sector commander or incident controller recording private fire units and of sectorising fires early,

SIGNOFF(S):

Alex Espey
Chadd Hunt

DUE DATE:

29 Sep 2024

FREQUENCY:

29th day of every 12 months

TREATMENT MC00136

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

SIGNOFF(S):

Alex Espey
Chadd Hunt

DUE DATE:

30 Aug 2024

FREQUENCY:

30th day of every 12 months

TREATMENT MC00137

Encourage young people (farmers) to become members of bushfire brigades through annual social media campaign

SIGNOFF(S):

Alex Espey
Chadd Hunt
Ian Kieley

DUE DATE:

29 Sep 2024

FREQUENCY:

29th day of every 12 months

TREATMENT MC00138

Investigate potential incentives to attract volunteers

SIGNOFF(S):

Alex Espey
Chadd Hunt

DUE DATE:

FREQUENCY:

Once

TREATMENT MC00139

Undertake monthly workplace inspections of fire stations undertaken by Brigade captains of another appropriate brigade member

SIGNOFF(S):

Alex Espey

DUE DATE:

23 Dec 2023

FREQUENCY:

23rd day of every 2 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00065

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Fire Station, Appliances & Equipment
 Ensure our volunteers have access to adequate / appropriate and safe buildings, appliances and equipment

OWNER Chadd Hunt
 CREATED 7/21/2023 2:10:25 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00140 Pre-season safety inspection of fire stations	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey Joanne Griffiths 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00141 Provide manual handling training / refreshers to all volunteers. May be in person or provision of online refresher opportunity	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 17 Oct 2024 17th day of every 12 months
TREATMENT MC00142 Ensure weekly inspections of fire appliance is being undertaken during fire season	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 01 Dec 2023 The first Day of every month
TREATMENT MC00143 Undertake Preseason Check of all appliances by qualified mechanic	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey Chadd Hunt 18 Jan 2024 18th day of every month
TREATMENT MC00144 Provide vehicle report forms to all brigades to ensure damage or maintenance requirements are being identified	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 31 Mar 2024 The last Day of every 6 months
TREATMENT MC00145 Provide access to off-road training to all volunteers	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00146 Memo to all brigade members in relation to requirement for bushfire appliance operators to obey road rules when on public roads at all times, unless an exemption is provided due to driver having undertaken necessary training	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months
TREATMENT MC00147 Provide washing machines at all Fire Stations and encourage / recommend that all PPE be washed on site	SIGNOFF(S): DUE DATE: FREQUENCY:	Alex Espey 30 Sep 2024 The last Day of every 12 months

RESIDUAL
9.6
HIGH

INHERENT
12.0

R00066

DEVELOPMENT SERVICES, HEALTH & SAFETY - BUSHFIRE VOLUNTEERS

Volunteer Training

Inadequate volunteer training could result in injury or death on fire ground

OWNER Chadd Hunt

CREATED 7/21/2023 2:44:26 PM

LIKELIHOOD Possible

SEVERITY Major

CONTROL EFFECTIVENESS Adequate

TREATMENT MC00148

Provide 2 sets of PPE to all active brigade members on their request.

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Oct 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00149

Ensure minimum training standards for bushfire volunteers, including the leadership team, are endorsed by Council

SIGNOFF(S):

Alex Espey

DUE DATE:

20 Aug 2025

FREQUENCY:

The third Wednesday of every 24 months

TREATMENT MC00151

Have standard operating procedures in place

SIGNOFF(S):

Alex Espey

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00152

Ensure adequate training assessors are approved by DFES for the Shire of Northam

SIGNOFF(S):

Alex Espey

DUE DATE:

31 Jul 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00153

Provide volunteers with access to flexible training arrangements, with a particular focus on weeknight training to suit volunteers

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Aug 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00154

Require minimum training before a volunteer can be active on the fire ground (utilising DFES guidelines) - reminder to be sent to all captains and volunteers

SIGNOFF(S):

Alex Espey

DUE DATE:

30 Sep 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00155

All volunteers to be required to undertake pre-season competency based training / annual induction prior to start of fire season

SIGNOFF(S):

Alex Espey

DUE DATE:

31 Oct 2024

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00157

Review training records/registers to ensure they are up to date and utilised to identify training requirements

SIGNOFF(S):

Alex Espey

DUE DATE:

01 Aug 2024

FREQUENCY:

The first Day of every 12 months

RESIDUAL
9.6
 HIGH

INHERENT
12.0

R00055

ENGINEERING SERVICES, HEALTH & SAFETY - PUBLIC, REPUTATION - COMMUNITY

Inadequate Cleaning of Shire Facilities

Shire buildings and public amenities not regularly cleaned to and acceptable standard causing the following issues:

- not regularly cleaned/sanitised, there is a chance of making people sick
- not cleaned, community and visitors not satisfied

Shire buildings and amenities may not be able to open to public or operate if not cleaned appropriately

Paying too much for cleaning services is also a financial risk.

OWNER Paul Devcic
 CREATED 12/2/2020 11:11:13 AM

LIKELIHOOD Likely
 SEVERITY Medium
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00109

Manage public tenders (RFT) for purchases over \$250,000 Excl. GST - Prepare Tender

Conduct a public tender as per the Manage Tenders Process and in line with the Shire's Procurement Policy F4.2

TREATMENT MC00110

Have a contract in place for regular cleaning schedule in place in accordance with best cleaning practices

Monthly inspection of toilets to be undertaken by Council staff

CHANGE(S) PENDING

SIGNOFF(S): Colin Young
 Kristy Hopkins

DUE DATE:

FREQUENCY: Once

SIGNOFF(S): Shane Moorhead

DUE DATE: 01 Jul 2024

FREQUENCY: The first Day of every 12 months

RESIDUAL
6.0
 MODERATE

INHERENT
20.0

R00032

DEVELOPMENT SERVICES, HEALTH & SAFETY

Inadequate Organisation and Community Emergency Management

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;

- Lack of (or inadequate) emergency response plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

(References: AS 3745; AS 1851; AIIMS 4 Management Principles)

OWNER Chadd Hunt
 CREATED 7/2/2019 1:42:30 PM

LIKELIHOOD Likely
 SEVERITY Extreme
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00077

Functioning Local Emergency Management Committee, which meets quarterly

TREATMENT MC00078

Conduct at least 1 Emergency Management training exercise per year

TREATMENT MC00079

Conduct Inductions for Bush Fire Brigade Volunteer Members Annually

TREATMENT MC00080

Review Risk to Resources Document

SIGNOFF(S): Alex Espey
 Chadd Hunt

DUE DATE: 31 Jan 2024

FREQUENCY: The last Day of every 3 months

SIGNOFF(S): Alex Espey
 Chadd Hunt

DUE DATE: 30 Sep 2024

FREQUENCY: The last Day of every 12 months

SIGNOFF(S): Alex Espey
 Chadd Hunt

DUE DATE: 01 Oct 2024

FREQUENCY: The first Day of every 12 months

SIGNOFF(S): Alex Espey
 Chadd Hunt

DUE DATE: 30 Sep 2025

FREQUENCY: The last Day of every 24 months

RESIDUAL
4.8
 MODERATE

INHERENT
16.0

R00036

AMP - TRANSPORT, HEALTH & SAFETY

Transport Assets not routinely inspected
 No formal safety & maintenance inspection procedures exist

OWNER Paul Devcic
 CREATED 7/15/2019 4:35:25 PM

LIKELIHOOD Likely
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00088

Transport Assets to be routinely inspected every 3 years (includes sealed and unsealed roads, kerbs and table drains. Excludes footpaths and piped drainage network)

TREATMENT MC00096

Safety inspections carried out in response to Customer Service Requests by members of the public and Shire staff.

SIGNOFF(S): Paul Devcic
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 36 months

SIGNOFF(S): Paul Devcic
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every 3 months

RESIDUAL
4.8
 MODERATE

INHERENT
16.0

R00056

ENGINEERING SERVICES, HEALTH & SAFETY - PUBLIC

Unsafe Playground equipment
 Shire playgrounds are not to a an acceptable standard causing the following issues:
 - Play Equipment is unsafe, there is a chance of injuring users
 - Play Equipment may not be open to public if it is unsafe and require repairs
 - Community and visitors unsatisfied

OWNER Paul Devcic
 CREATED 7/5/2022 4:11:10 PM

LIKELIHOOD Likely
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00113

Regular playground inspections to be completed on a monthly basis.

SIGNOFF(S): Paul Devcic
 Keith Boase
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every month

RESIDUAL
4.8
 MODERATE

INHERENT
16.0

R00022

CHIEF EXECUTIVES OFFICE, HEALTH & SAFETY - OCCUPATIONAL

Inadequate safety and security practices

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

OWNER Debbie Terelinck
 CREATED 7/1/2019 2:46:30 PM

LIKELIHOOD Likely
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00041

Undertake OHS Audit

SIGNOFF(S): Janice Byers
 DUE DATE: 01 Sep 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00042

Implement recommendations from OHS Audit & Report to Audit & Risk Committee

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 4 months

TREATMENT MC00043

WHS Committee Meeting Regularly

SIGNOFF(S): Janice Byers
 Joanne Griffiths
 DUE DATE: 31 Dec 2023
 FREQUENCY: The last Day of every 3 months

TREATMENT MC00044

Toolbox meetings occurring and discussing safety (attach minutes/notes to sign off)

SIGNOFF(S): Paul Devcic
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every month

TREATMENT MC00045

Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item)

OVERDUE
 SIGNOFF(S): Debbie Terelinck
 DUE DATE: 30 Sep 2023
 FREQUENCY: The last Day of every 6 months

TREATMENT MC00046

OHS Policy Framework in place and reviewed

SIGNOFF(S): Janice Byers
 DUE DATE: 31 Aug 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00095

Undertake Workplace Safety Inspections - Undertake Inspection OSH inspections undertaken for each site.

CHANGE(S) PENDING
 SIGNOFF(S): Colin Young
 Paul Devcic
 Debbie Terelinck
 DUE DATE: 30 Nov 2023
 FREQUENCY: The last Day of every month

RESIDUAL
4.5
 MODERATE

INHERENT
15.0

R00017

DEVELOPMENT SERVICES, HEALTH & SAFETY - PUBLIC

Inadequate Organisation and Community Emergency Management

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;

- Lack of (or inadequate) emergency response plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

(References: AS 3745; AS 1851; AIIMS 4 Management Principles)

OWNER Chadd Hunt

CREATED 6/19/2019 8:51:12 AM

LIKELIHOOD Possible

SEVERITY Extreme

CONTROL EFFECTIVENESS Strong

TREATMENT MC00027

Establishment of a 'functional' Local Emergency Management Committee, which meets six monthly

SIGNOFF(S):

Alex Espey

DUE DATE:

31 Mar 2024

FREQUENCY:

The last Day of every 6 months

TREATMENT MC00028

Current Local Emergency Management Arrangements & Recovery Plan

SIGNOFF(S):

Alex Espey
 Chadd Hunt

DUE DATE:

01 Nov 2024

FREQUENCY:

The first Day of every 24 months

TREATMENT MC00029

Run annual emergency management exercise

OVERDUE

SIGNOFF(S):

Alex Espey
 Chadd Hunt

DUE DATE:

01 Nov 2023

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00030

Bush fire Risk Management Plan in Place

SIGNOFF(S):

Alex Espey
 Chadd Hunt

DUE DATE:

01 Sep 2024

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00031

Fuel Loads risk register in place

OVERDUE

SIGNOFF(S):

Alex Espey
 Chadd Hunt

DUE DATE:

30 Sep 2023

FREQUENCY:

The last Day of every 12 months

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00041

AMP - BUILDINGS, ENVIRONMENTAL - BUILT, HEALTH & SAFETY

Condition of buildings is unknown
 Council is unclear as to the condition of its building assets and therefore unable to make informed decisions, resulting in poor building condition and building safety concerns

OWNER Paul Devcic
 CREATED 7/16/2019 11:26:43 AM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00019

Up to date and accurate building asset management plan in place

SIGNOFF(S): Paul Devcic
 Colin Young
 Shane Moorhead
 DUE DATE: 01 Jun 2025
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00090

Revaluations of Council Building Assets (Fair Value)

SIGNOFF(S): Colin Young
 DUE DATE: 01 Feb 2027
 FREQUENCY: The first Day of every 60 months

TREATMENT MC00093

Develop and maintain medium term building maintenance program to ensure future costs are understood

SIGNOFF(S): Shane Moorhead
 DUE DATE: 01 Nov 2024
 FREQUENCY: The first Day of every 12 months

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00048

MAJOR PROJECTS, FINANCIAL - OPERATIONAL, HEALTH & SAFETY, PROPERTY - LIABILITY, REPUTATION - COMMUNITY, STRATEGIC - COMMUNITY

Aquatic Facility - Ineffective Project Management
 Aquatic Facility Project not managed effectively

OWNER Debbie Terelinck
 CREATED 9/14/2020 2:23:26 PM
 LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00053

Project management framework in place, providing parameters for staff to operate within

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Jul 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00054

Prepare Elected Members Monthly Report - Publish Monthly Report
 Major Project status reporting to Council (through monthly elected member report)

CHANGE(S) PENDING
 SIGNOFF(S): Tamika Van Beek
 DUE DATE: 15 Dec 2023
 FREQUENCY: 15th day of every month

TREATMENT MC00064

Independent Project Superintendent appointed with requisite skills to acknowledge scale and complexity of this project

SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00067

Construction project progress reports to be provided

SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00068

Project Superintendent (Donovan Payne) reports to be provided monthly

SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00069
 Financial variations to be signed off by Project Manager
 SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00070
 All request for information and clarification to be signed off / cited by Council Project Manager
 SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00071
 Project assessment / evaluation to be undertaken at completion and reported to audit committee
 SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

TREATMENT MC00074
 Project time delays to be signed off in accordance with contract
 SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

RESIDUAL
3.6
 LOW

INHERENT
12.0

R00049

MAJOR PROJECTS, HEALTH & SAFETY - OCCUPATIONAL
Aquatic Facility - Insufficient OHS in place for project
 Contractor has insufficient systems, processes and practices in place to manage site OHS effectively for the Aquatic Facility Project

OWNER Debbie Terelinck
 CREATED 9/14/2020 2:26:32 PM

LIKELIHOOD Possible
 SEVERITY Major
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00065
 OHS report required from contractor, including details of site their own OHS site inspections
 SIGNOFF(S): Debbie Terelinck
 DUE DATE:
 FREQUENCY: Once

RESIDUAL
2.7
 LOW

INHERENT
9.0

R00024

CHIEF EXECUTIVES OFFICE, COMPLIANCE - POLICY, FINANCIAL - OPERATIONAL, HEALTH & SAFETY - OCCUPATIONAL

Inadequate Project Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.

OWNER Debbie Terelinck
 CREATED 7/1/2019 3:20:45 PM

LIKELIHOOD Possible
 SEVERITY Medium
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00053

Project management framework in place, providing parameters for staff to operate within

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Jul 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00054

Prepare Elected Members Monthly Report - Publish Monthly Report
 Major Project status reporting to Council (through monthly elected member report)

CHANGE(S) PENDING
 SIGNOFF(S): Tamika Van Beek
 DUE DATE: 15 Dec 2023
 FREQUENCY: 15th day of every month

TREATMENT MC00055

Internal audit of project and major project (as defined by corporate business plan) management framework compliance.

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 May 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00057

Manage Major Projects - Project Performance and Control
 Provides process for managing projects

CHANGE(S) PENDING
 SIGNOFF(S): Paul Devcic
 Debbie Terelinck
 DUE DATE: 30 Sep 2024
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00159

Review project management framework to ensure it remains appropriate/relevant.

SIGNOFF(S): Debbie Terelinck
 DUE DATE: 31 Jan 2024
 FREQUENCY: The last Day of every 12 months

RESIDUAL
2.7
LOW

INHERENT
9.0

R00025

CHIEF EXECUTIVES OFFICE, COMMUNITY SERVICES, CORPORATE SERVICES, DEVELOPMENT SERVICES, ENGINEERING SERVICES, FINANCIAL - OPERATIONAL, HEALTH & SAFETY - OCCUPATIONAL, SERVICE INTERRUPTION

Inadequate Supplier / Contract Management

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer "Inadequate Procurement, Disposal or Tender Practices".

OWNER Colin Young

CREATED 7/1/2019 3:54:58 PM

LIKELIHOOD Possible

SEVERITY Medium

CONTROL EFFECTIVENESS Strong

TREATMENT MC00160

Have an external legal review of standard contract documents every three years.

SIGNOFF(S):

Kristy Hopkins

DUE DATE:

31 Jul 2024

FREQUENCY:

The first Day of every 36 months

TREATMENT MC00161

Internal audit of one major contract for compliance every 12 months.

SIGNOFF(S):

Kristy Hopkins
Britt Hadlow

DUE DATE:

31 Aug 2024

FREQUENCY:

The last Day of every 12 months

7.8 Shire of Northam IT Back Up Recovery Plan

File Reference:	1.4.1.15
Reporting Officer:	Kunal Sarma (Business Systems Coordinator)
Responsible Officer:	Colin Young (Executive Manager Corporate Services)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

Council adopted the IT Disaster Recovery Plan in 2020. As part of the adoption certain contingency measures of backup were put in place, while there were recommendations that were not adopted. This report explores a component of disaster recovery and business continuity practice and how to put this into practice through the implementation of a backup recovery service at an off-site location.

ATTACHMENTS

1. C S- P L-03 IT Disaster Recovery Plan V 1.1 a [7.8.1 - 12 pages]

A. BACKGROUND / DETAILS

This report outlines the policies and procedures for technology disaster recovery as well as process level plans for recovering critical technology platforms. In the event of a disaster situation, the aim is to ensure information system uptime, data integrity and availability and business continuity.

The principal objective of the disaster recovery program is to develop, test and document a well-structured plan that will help the Shire to recover quickly and effectively as possible from an unanticipated disaster or emergency that interrupts business operations.

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 12.1.1: Provide the community with an annual explanation of the Shire's short and long term financial commitments and overall financial health.

B.2 Financial / Resource Implications

To implement a full offsite backup server, the financial cost to consider is as below:

Offsite Server Expenditure	Cost
Annual Cost	\$19,200
Set up Cost (one off)	\$1,600
Hardware Cost (\$2000 per annum for 3 years)	\$6,000
Total Cost 2023/24	\$26,800

This expenditure can be accommodated within the 2023/24 budget for ICT.

B.3 Legislative Compliance

Office of the Auditor General Western Australia – Local Government Compliance Framework and regulatory framework under the Local Government Act 1995.

B.4 Policy Implications

To implement an ICT backup and Disaster Recovery plan.

B.5 Stakeholder Engagement / Consultation

Key stakeholders are J H Computer Services (managed ICT service provider for local governments) and Shire officers.

B.6 Risk Implications

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	In the event of a disaster the implications are expected to be high	Likely X Major	Investing in offsite backup.
Health & Safety	Building damage and Cyber-attack (information leak) likely to impact safety	Possible x Medium	Investing in offsite backup & staff training.

Reputation	Lack of an ICT BCDR is damaging to the reputation of the council	Possible x Medium	Investing in offsite backup.
Service Interruption	Lack of BCDR will cause service interruptions	Almost Certain x Major	Investing in offsite backup.
Compliance	N/A		
Property	N/A		
Environment	N/A		

B.7 Natural Environment Considerations

Nil

C. OFFICER'S COMMENT

It is recognised that the Shire needs to invest in the recommendations in the ICT Business Continuity and Disaster Recovery Plan.

While there is a financial implication, the outcome of implementing the ICT Business Continuity and Disaster Recovery Plan will be a worthwhile investment in the event of a disaster.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.273

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 requests the Chief Executive Officer to implement a new backup and disaster recovery server to be hosted at an offsite location for business continuity aligned with the ICT Business Continuity and Disaster Recovery Plan.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Clarification was sought in relation to:

- In the attachment provided it talks about having a disaster recovery server at an offsite location and mentions potential disasters such as fire

and flood. Would having the server at Create298 mitigate the risk as it is in close proximity to the administration office?

It was noted that as Create298 is a two storey building it is at less risk of flooding.

- Can we outsource to an external company?

The Business Solutions Coordinator advised that it is a data solution that provides us with an onsite physical server for storage. There is also an annual costing included for a cloud component. This is a two step back up system.



Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

ICT Business Continuity and Disaster Recovery Plan

ICT Business Continuity and Disaster Recovery Plan



Revision History

Revision	Date	Name
Draft 1	17/01/2020	Daniel Goldman (JH Computer Service)
Draft 1	26/02/2020	Colin Young
Draft 1	26/02/2020	Colin Young
Draft 1	26/02/2020	David Sparrow
Draft 1	27/02/2020	David Sparrow
Draft 1	27/02/2020	Colin Young
V1	18/03/2020	Adopted by Council
Draft 1.1	02/11/2023	Kunal Sarma
Draft 1.1	06/11/2023	Colin Young
Draft 1.1	01/12/2023	Review by Audit Committee
V 1.1	TBA	Adopted by Council

ICT Business Continuity and Disaster Recovery Plan



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ICT Business Continuity and Disaster Recovery Plan



Information Technology Statement of Intent

This document delineates our policies and procedures for technology disaster recovery, as well as our process-level plans for recovering critical technology platforms and the telecommunications infrastructure. This document summarizes the Shires recommended procedures. In the event of an actual emergency situation, modifications to this document may be made to ensure physical safety of our people, our systems, and our data.

Our mission is to ensure information system uptime, data integrity and availability, and business continuity.

Objectives

The principal objective of the disaster recovery program is to develop, test and document a well-structured and easily understood plan which will help the company recover as quickly and effectively as possible from an unforeseen disaster or emergency which interrupts information systems and business operations. Additional objectives include the following:

- The need to ensure that all employees fully understand their duties in implementing such a plan
- The need to ensure that operational policies are adhered to within all planned activities
- The need to ensure that proposed contingency arrangements are cost-effective
- The need to consider implications on all Shire sites

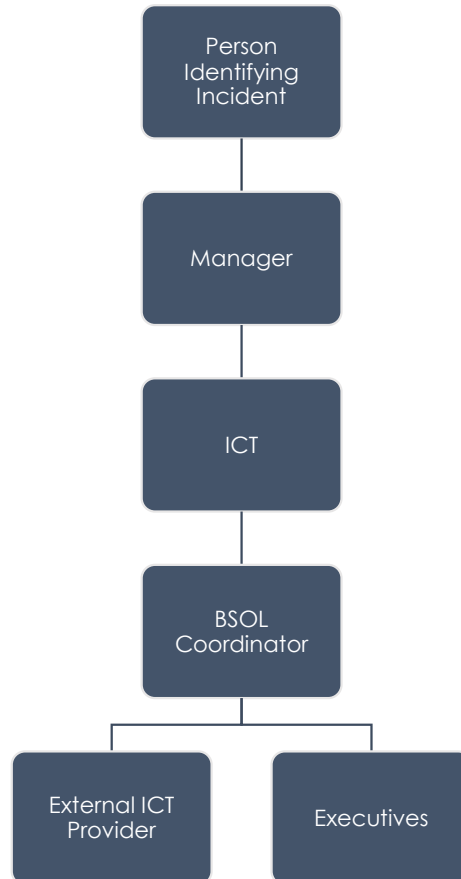
Key Personnel Contact Information

Name, Company, Title	Contact Option	Contact Number
Kunal, Shire of Northam	Work	9622 6154
Business Solutions Coordinator	Mobile	0436 660 316
	Email Address	bsolcoord@northam.wa.gov.au
Robert, Shire of Northam	Work	9622 6171
ICT Officer	Mobile	0417 746 474
	Email Address	ict@northam.wa.gov.au
Daniel, JHCS	Work	08 9367 9499
System Administrator	Mobile	0409 124 178
	Email Address	support@jhcs.com.au
Tim, JHCS	Work	08 9367 9499
General Manager	Mobile	0413 842 244
	Email Address	support@jhcs.com.au
Colin, Executive Manager Corporate Services	Work	08 9622 6122
	Mobile	0418 9080 506
	Email Address	emcorps@northam.wa.gov.au

ICT Business Continuity and Disaster Recovery Plan



Notification Calling Tree



ICT Business Continuity and Disaster Recovery Plan



1 Plan Overview

1.1 Plan Updating

It is necessary for the DRP updating process to be properly structured and controlled. Whenever changes are made to the plan they are to be fully tested. This document is to be reviewed every 2 years.

1.2 Executive Summary

A Business Continuity and Disaster Recovery plan is an essential component of risk management and operational continuity. It provides a structured approach to safeguarding our organization against unexpected disruptions such as natural disasters, cybersecurity incidents, data loss, and other unforeseen crises. The absence of such a plan leaves us vulnerable to potential risks and operational downtime, which could have severe financial and reputational repercussions.

1.3 Backup Strategy

Key business processes and the agreed backup strategy for each are listed below. The strategy chosen is for a backup mirrored offsite to be located at Councils External IT provider.

1.3.1 Current Backup Status

Upon assessment it has been found that we do not have an offsite dedicated server for disaster recovery in place which is considered a best practice approach. While we may have some isolated contingency measures, these are insufficient to address the broad spectrum of risks and challenges that our organization might face. Urgent Need for Investment

Investing in a dedicated offsite server is not an option but a strategic imperative for several compelling reasons:

1.3.2 Risk Mitigation:

A dedicated offsite server helps mitigate the risks associated with operational disruptions, reducing the potential impact on our operations, data, and finances.

1.3.3 Compliance:

Various industry regulations and standards require organizations to have a comprehensive BCDR plan. Non-compliance can lead to legal and financial penalties.

1.3.4 Stakeholder Confidence:

Clients, partners, and stakeholders increasingly expect organizations to have robust contingency plans. Demonstrating our commitment to safeguarding critical information and ensuring service continuity enhances their confidence in our organization.

ICT Business Continuity and Disaster Recovery Plan



1.3.5 Operational Resilience:

A comprehensive BCDR plan not only addresses recovery from disasters but also strengthens our overall operational resilience. It enables us to adapt swiftly to changing circumstances and maintain a competitive edge.

1.4 Risk Management

There are many potential disruptive threats which can occur at any time and affect the normal business process. We have considered a wide range of potential threats, and the results of our deliberations are included in this section. Each potential environmental disaster or emergency has been examined. The focus here is on the level of business disruption which could arise from each type of disaster.

Potential disasters have been assessed as follows based on the Shires Risk Matrix:

Potential Disaster	Probability Rating	Impact Rating
Flood	1	2
Fire	2	4
Act of sabotage	1	4
Loss of communications network services	5	2

Risk Matrix, Consequence and Likelihood Tables

Risk Matrix

The following matrix matches the severity of outcomes to the likelihood of occurrence.

LIKELIHOOD	CONSEQUENCE				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Rare (1)	Low	Low	Low	Low	Low
Unlikely (2)	Low	Low	Low	Medium	Medium
Possible (3)	Low	Low	Medium	Medium	Medium
Likely (4)	Low	Medium	Medium	High	High
Almost certain (5)	Low	Medium	Medium	High	Extreme

Likelihood Table

Likelihood and frequency of events tend to vary between disciplines and functional areas.

Level	Likelihood	Expected or actual frequency experienced
1	Rare	May only occur in exceptional circumstances; simple process; no previous incidence of non-compliance

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2	Unlikely	Could occur at some time; less than 25% chance of occurring or re-occurring; non-complex process &/or existence of checks and balances
3	Possible	Might occur at some time; 25 – 50% chance of occurring or re-occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation
4	Likely	Will probably occur in most circumstances; 50-75% chance of occurring or re-occurring; complex process with some checks & balances; impacting factors outside control of organisation
5	Almost certain	Can be expected to occur in most circumstances; more than 75% chance of occurring or re-occurring; complex process with minimal checks & balances; impacting factors outside control of organisation

If there is an opportunity to make quick changes to the site to mitigate or eliminate immediate risk, these will be taken. The hierarchy of options as per the Hierarchy of Controls in the Occupational Safety and Health procedures.

Elimination- Most effective

Substitution, Isolation or Engineering Controls- Where resource constraints exist.

Use of Personal Protective Equipment and procedural minimisation of exposure- the least effective at minimising risk because they do not control the hazard at the source and rely on human behaviour and supervision.

Consequence Table

The following is a guide to determining consequence. The applicability of the operational definitions of each category of consequence will vary.

Level & descriptor	Health Impacts	Critical services interruption	Organizational outcomes/objectives	Reputation and image per issue	Non-compliance
Insignificant (1)	First aid or equivalent only	No material disruption	Little impact	Non-headline exposure, not at fault; no impact	Innocent procedural breach; evidence of good faith; little impact
Minor (2)	Routine medical attention required (up to 2 weeks incapacity)	Short term temporary suspension – backlog cleared < 1 day	Inconvenient delays	Non-headline exposure, clear fault settled quickly; negligible impact	Breach; objection/complaint lodged; minor harm with investigation

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Moderate (3)	Increased level medical attention (2 weeks to 3 months incapacity)	Medium term temporary suspension – backlog cleared by additional resources	Material delays; marginal under-achievement of target performance	Repeated non-headline exposure; slow resolution; Ministerial enquiry/briefing	Negligent breach; lack of good faith evident; performance review initiated
Major (4)	Severe health crisis (incapacity beyond 3 months)	Prolonged suspension of work – additional resources required; performance affected	Significant delays; performance significantly under target	Headline profile; repeated exposure; at fault or unresolved complexities; ministerial involvement	Deliberate breach or gross negligence; formal investigation; disciplinary action; ministerial involvement
Catastrophic (5)	Multiple severe health crises/injury or death	Indeterminate prolonged suspension of work; non performance	Non achievement of objective/ outcome; performance failure	Maximum high level headline exposure; Ministerial censure; loss of credibility	Serious, wilful breach; criminal negligence or act; prosecution; dismissal; ministerial censure

2 Emergency Response

2.1 Alert, escalation and plan invocation

2.1.1 Plan Triggering Events

Key trigger issues onsite that would lead to activation of the DRP are:

- Total loss of all communications
- Total loss of power (Admin Centre)
- Flooding of the premises (Admin Centre)
- Loss of a Shire building
- Act of sabotage internal/external

2.1.2 Activation of Emergency Response Team

When an incident occurs the Emergency Response Team (ERT) must be activated. The ERT will then decide the extent to which the DRP must be invoked. All Shire building managers must be issued a Quick Reference card containing ERT contact details to be used in the event of a disaster. Responsibilities of the ERT are to:

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- Respond immediately to a potential disaster and call emergency services;
- Assess the extent of the disaster and its impact on the Shire, data centre, etc.;
- Decide which elements of the DR Plan should be activated;
- Establish and manage disaster recovery team to maintain vital services and return to normal operation;
- Ensure employees are notified and allocate responsibilities and activities as required.

2.2 Disaster Recovery Team

The team will be contacted and assembled by the ERT. The team's responsibilities include:

- Establish facilities for an emergency level of service within 2.0 business hours;
- Restore key services within 4.0 business hours of the incident;
- Recover to business as usual within 8.0 to 24.0 hours after the incident;
- Coordinate activities with disaster recovery team, first responders, etc.
- Report to the emergency response team.

2.3 Emergency Alert, Escalation and DRP Activation

This policy and procedure have been established to ensure that in the event of a disaster or crisis, personnel will have a clear understanding of who should be contacted. Procedures have been addressed to ensure that communications can be quickly established while activating disaster recovery.

The DR plan will rely principally on key members of management and staff who will provide the technical and management skills necessary to achieve a smooth technology and business recovery. Suppliers of critical goods and services will continue to support recovery of business operations as the Shire returns to normal operating mode.

2.3.1 Emergency Alert

The person discovering the incident calls a member of the Emergency Response Team in the order listed:

The Emergency Response Team (ERT) is responsible for activating the DRP for disasters identified in this plan, as well as in the event of any other occurrence that affects the company's capability to perform normally.

One of the tasks during the early stages of the emergency is to notify the Disaster Recovery Team (DRT) that an emergency has occurred. The notification will request DRT members to assemble at the site of the problem and will involve enough information to have this request effectively communicated. If required a Business Recovery Team (BRT) will be established, consisting of senior representatives from Shire departments. The BRT Leader will be an executive manager (or their delegate) and will be responsible for taking overall charge of the process and ensuring that the company returns to normal working operations as early as possible.

2.3.2 DR Procedures for Management

Members of the management team will keep a hard copy of the names and contact numbers of each employee in their departments.

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2.3.3 Contact with Employees

Managers will serve as the focal points for their departments, while designated employees will call other employees to discuss the crisis/disaster and the company’s immediate plans. Employees who cannot reach staff on their call list are advised to call the staff member’s emergency contact to relay information on the disaster.

3 Recovery Procedure

3.1 Flood Disaster Recovery

Event	Site destroyed by flood
Mitigation	Backup replication to offsite location and backup NBN internet links at satellite sites.
What to do	Restore servers on hardware located at offsite location and configure remote VPN for users to access data and software.
Expected Downtime	4 business days

3.2 Fire Disaster Recovery

Event	Site destroyed by fire
Mitigation	Backup replication to offsite location and backup NBN internet links at satellite sites.
What to do	Restore servers on hardware located at offsite location and configure remote VPN for users to access data and software.
Expected Downtime	4 business days

3.3 Act of Sabotage

Event	Disgruntled employee destroys data
Mitigation	Regular server backups
What to do	Restore from onsite backups
Expected Downtime	1-3 business days

3.4 Loss of communication or network

Event	TPG network outage
Mitigation	Backup NBN links at each site
What to do	No works required auto failover
Expected Downtime	None

4 Recommendations

1. New backup / Disaster Recovery server designed to be hosted at an offsite location to be used to recover all servers. This will ensure if the server rack is destroyed for any reason the downtime can be minimised.
 - a. A backup / DR storage hosted at Create298 or the Recreation Centre would provide for quicker local access to critical data / services in the event of extended network link outages.
 - b. A backup / DR server configured to also serve as an ICT test environment regularly mirrored from the live production environment would not only allow for

ICT Business Continuity and Disaster Recovery Plan



better change management reducing risk to the live production environment but also would even further minimise downtime by becoming the live production environment in the event of a primary site / server loss.

2. Staff training – Ensure all staff are notified about disaster reporting and procedures to ensure minimal downtime.
3. Creation of a detailed hardcopy of procedures and checklist.

5 Costing to consider for BCDR

Offsite Server Expenditure	Cost
Annual Cost	\$ 19,200
Set Up cost (one off)	\$ 1,600
Hardware (2,000 per annum, 3 years)	\$ 6,000
Total Cost	
2023/24	\$ 26,800

7.9 Progress Towards the Regulation 17 Review

File Reference:	8.2.7.1
Reporting Officer:	Britt Hadlow (Governance Coordinator)
Responsible Officer:	Debbie Terelinck (Chief Executive Officer)
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

To provide Council with an update of the progress made towards the Regulation 17 Review Action Plan that was presented to the Ordinary Council Meeting for adoption on 21 December 2022.

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 [7.9.1 - 3 pages]

A. BACKGROUND / DETAILS

Section 17 of the *Local Government (Audit) Regulations 1996* requires the Chief Executive Officer to review the appropriateness and effectiveness of the Council's systems and procedures as they relate to the following areas:

- Risk management
- Internal controls, and
- Legislative compliance

The review is required to be conducted at least every three years.

The Chief Executive Officer carried out the review internally. A report has been prepared identifying the findings from the review along with recommendations (if applicable). These findings and recommendations have been developed into an Action Plan and provided in Attachment 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 12.1.4: Provide internal auditing capabilities (including providing additional human or financial resources) and publish findings annually.

B.2 Financial / Resource Implications

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

B.3 Legislative Compliance

Local Government (Administration) Regulations 1996 – Regulation 17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

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	Revenue loss to the Shire	Rare (1) x Minor (2) = Low (2)	Managed by ensuring good practices.
Health & Safety	Nil.		
Reputation	Disruption to current service.	Rare (1) x Minor (2) = Low (2)	Ensure IT and other services are managed professionally.

Service Interruption	Potential for IT and Administrative disruption.	Rare (1) x Insignificant (1) = Low (1)	Ensure changes are managed professionally.
Compliance	Not compliant with legislation.	Rare (1) x Minor (2) = Low (2)	Review legislation regularly.
Property	Nil.		
Environment	Nil.		

B.7 Natural Environment Considerations

Nil.

C. OFFICER'S COMMENT

The initial review indicated that the Shire of Northam 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.

Officers are working towards addressing the recommendations from the review whilst continuing the improvements already underway in order to achieve an optimum levels of risk management, internal controls and legislative compliance into the future. The Action Plan has been provided in Attachment 1 with an update of the progress made towards the recommendations.

Key to table:

Completed

No Action

Underway

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.274

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

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

- 1. That Council receives the December 2023 update as provided in Attachment 1 in relation to the progress made towards the Regulation 17 Action Plan.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton 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	1.1 Reviewing 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	Alysha McCall	15/03/2023 - Policy adopted by Council.	Completed
2	1. Risk Management	1.1 Reviewing 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	Alysha McCall	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	1.2 Reviewing 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	Britt Hadlow	1/9/2023 No progress. 3/11/2023 No progress.	No Action
4	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;	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
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	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. 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. 2/06/2023 - Awaiting to hear back from Tim from JH Computers. 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. 23/08/2023 - To present document for review in Sept. 1/9/2023 Business Continuity Plan pending 1.1 being completed. 03/11/2023 - BCDR document has been updated with the relevant costing to consider for. And needs to go to committee to review.	Underway
6	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: 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.	Review the Fraud and Corruption Plan prior to June 2023.	Alysha McCall	31/07/2023 - Reviewed plan being presented to Audit & Risk Management Committee on 22 August 2023. 29/8/2023 - Pending adoption by Council - 20 Sept. 6/10/2023 - Minor amendments being made then complete.	Completed

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
7	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;	Develop internal audit framework to include audits on identified risks in the Fraud and Corruption Control Plan.	Alysha McCall	01/08/2023 - Risks treatments to be audited bi-monthly on rotation (i.e. 50% audited each month).	Completed
8	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;	Implement an annual review and sign off for the Code of Conduct for Employees, Volunteers, Contractors and Agency Staff.	Janice Byers		No Action
9	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;	Provide staff with specific training on fraud controls and conducting investigations.	Janice Byers		No Action
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	Yet to review the current strategy that the Shire has in place and then work from there. 05/05/2023 - Yet to review and then create the strategy 02/06/2023 - Yet to review and then create the strategy 7/07/2023 - Yet to review existing document in place 23/08/2023 - Not yet started reviewing. 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).	Underway
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.	Alysha McCall	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. 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.	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	Developing a suite of weekly 'Did you know' alerts to staff in addition with training videos for registering documents. 1/9/2023 Monthly updates to be communicated to staff. 13/10/23 Commenced.	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
14	2. Internal Control	2.8Comparison of the result of physical cash and inventory counts with accounting records.	Develop process and procedure for offsite stock management.	Kristy Hopkins		10% Underway

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
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.	Underway
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.	Alysha McCall, 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	Codey Redmond	No Progress	No Action
18	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 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.	Alysha McCall	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	3.3 Reviewing 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.	Alysha McCall, Colin Young	01/02/2023 - Requested quote for 'Listen' feature 12/04/2023 - Feature implemented.	Completed
20	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;	Include the effectiveness of the complaint handling system within the internal audit framework.	Alysha McCall, Colin Young	1/08/2023 - Complaint audit implemented commencing July 2023.	Completed

7.10 Progress Towards the Financial Management Review

File Reference:	8.2.7.4
Reporting Officer:	Tamika Van Beek (Governance Officer)
Responsible Officer:	Colin Young (Executive Manager Corporate Services)
Officer Declaration of Interest:	Nil.
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

For the Audit & Risk Management Committee to receive a progress report for the Financial Management System Review report.

ATTACHMENTS

1. Financial Management Review Action Plan [**7.10.1** - 3 pages]

A. BACKGROUND / DETAILS

Macri Partners Pty Ltd were engaged to conduct the review for the period 1 July 2021 to 30 April 2022. In accordance with Regulation 5(2)(c) of the *Local Government Financial Management Regulations 1996* Council is required to review its financial system to ensure its appropriateness and effectiveness at least once every three years.

This report is to provide details on the progress that has been made against the recommendations within the Financial Management Review

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

Nil.

B.3 Legislative Compliance

Local Government Act (1995) Section 7.12A & Local Government Financial Management Regulations 1996 Regulation 5(2)(c)

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 Auditor raised a number of findings within the Financial Management Systems Review that need to be addressed to ensure that best practices are being followed. The issues raised are contained in Attachment 1. The auditor's report provided recommendations on the best way to resolve the issues and additionally management comments have been put in place as well as actions taken. The level of risk for eight of the issues were considered moderate and five raised were low.

During the audit meeting held on 22 August 2023 Council requested that Officers review the audit report with the aim of closing the following actions:

Action 15 – an audit was carried out on the actual cash taking from the shared till and it was found that on average external customers carried out 2 transactions per day. The average daily take from external customers is \$280. This till is also used for internal transactions relating to the Visitor Center, BFB,

Recreation Centre and Library which were not included in the audit as any cash is placed directly into the safe rather than the till.

Action 18 – discussions with ReadyTech have revealed that the move to Altus will solve this problem.

Action 23 – an internal security policy has been developed and it is in the process of being added to the Risk Register with prompts to check staff security levels annually.

Key to table:

Completed

No Action

Underway

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.275

Moved: Cr M P Ryan

Seconded: Cr H J Appleton

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

That Council:

- 1. Receives the update as provided in Attachment 1 in relation to the progress made towards the Financial Management Systems Review Action Plan.**
- 2. Acknowledge the Recommended Actions from the Financial Management System Review are considered completed and not require the item to be provided in the future.**

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Number	Finding	Recommendation / Solution	Expected Completion	Responsibility	Progress To Date	Status
1	Bank Reconciliations - Bank reconciliations not being dated by reviewer.	1. The date of bank reconciliation review should be documented.	July 2022	Corporate Services / Finance	Monthly bank reconciliations are sent to Accountant for review and the accountant signs and confirms the bank rec.	Completed
2	Investments - Shire does not have a formally established and documented internal control procedures for investments.	1.An Investment Procedural Guideline should be drafted and adopted by the Shire that should be followed by employees to ensure control over investments and also to be compliant with S.19 of the Local Government (Financial Management) Regulations 1996. 2.The Shire should also establish and maintain an investment register indicating the name of the financial institute, amount of the investment, term of the investment and date of maturity.	July 2022	Corporate Services / Finance	1.An investment process has been established and will be added to PROMAPPS 2.An investment register was created and is reported monthly to council and includes the recommended information.	Completed
3	Investment Policy - The Shire's Investment Policy has not been reviewed by the Shire in the 2021 year as required by the policy.	1.The Investment Policy should be reviewed and presented to Council as required by the policy at the earliest and update the policy if required based on the investment objectives of the Shire	February 2023	Corporate Services / Finance	Investment Policy Updated	Completed
4	Investment Policy - The Shire's investment policy F.4.3 requires that investments be spread to ensure that no single financial institute holds more than 50% of the Shire's investments.	1.The Shire should look at restructuring its investments at the earliest to comply with the requirements of the investment policy and minimise its exposure to financial risks.	February 2023	Corporate Services / Finance	Investments now meet the guidelines of the policy.	Completed
5	Procurement of goods and services - The same staff issued and approved the purchase orders, receipted the goods/services, and also authorised the related supplier invoices.	1.Management should implement appropriate segregation of duties, particularly between authorisation of purchase order and approving relevant supplier invoices.	February 2023	Corporate Services / Procurement	Process edit is pending loading in Promaps where all purchase orders are to be checked for compliance by credit officer. A P.O initiator can also be an authoriser for approved authorising thresholds however compliance will be verified by credit officer. 13/04/23 this procedure has been revamped and the Creditors Officer now signs the purchase order is compliant	Completed
6	Procurement Policy - Policy allows for minor variations , however the minor variation is not specified.	1.The procurement policy should define a minor variation	February 2023	Corporate Services / Procurement	Procurement policy updated,	Completed
7	Credit Cards - Credit card statements had no documentary evidence of review by an officer independent of the cardholder	1.The monthly credit card statements of all credit cardholders should be reviewed by a senior officer independent of the cardholder and the reviewer should initial and date the credit card statement to indicate that the review was done in a timely manner	November 2022	Corporate Services / Finance	Credit cards statements being reviewed by both Senior Finance officer and the accountant. Accountant signs and dates the credit card statement	Completed
8	Creditors - Monthly Creditor reconciliations not dated by reviewer.	1.The reviewer should indicate the date of review on the monthly creditor reconciliations	July 2022	Corporate Services / Finance / Procurement	Monthly Creditor reports and reconciliations reviewed by accountant signed and dated.	Completed
9	Rates – Rate debts outstanding for more than 3 years approximately 29% of the total rates debts outstanding.	1.The recoverability of all long outstanding rate debts should be reviewed by the management and appropriate action be taken to recover them without delay. 2.Also the need to create a provision for doubtful debts in the annual financial report should be reviewed.	December 2022	Corporate Services / Finance	1.Of the current outstanding debt \$340,000 is related to one subdivision that that was held by a now insolvent company Council lawyers are progressing with legal action against the Outstanding debt. 2.The Annual Financial Report currently has a provision for doubtful debts which includes rate debt that is expected to be written off in the next 12 months.	Completed
10	Debtors - 86% of the total sundry debtors have been outstanding for more than 90 days	1.The recoverability of all long outstanding sundry debts should be reviewed by the management and appropriate action be taken to recover them without delay. 2.Also the need to create a provision for doubtful debts in the annual financial report should be reviewed	December 2022	Corporate Services / Finance	1.Majority of the then reported Percentage was a capital grant from DFES which came through in June 22. debtors are reviewed monthly and the necessary follow ups are done. Accountant dates and signs of the monthly review. 2.No Action-The Annual Financial Report currently has a provision for doubtful debts	Completed
11	Creditors - Retention money for goods and services paid out tom supplier and the supplier set as a debtor	1.The management should ensure there are adequate controls in place to prevent erroneous payments to suppliers	July 2022	Corporate Services / Procurement	Procedures have been put in place to ensure retentions are withheld correctly	Completed
12	Credit Note Requisitions - Shire does not use a formal credit requisition form to raise credit notes relating to sundry debtors. Instead, credit notes are raised based on email requests from the staff requesting the credit note	1.The Shire should develop and use a formal credit note requisition form to be authorised by the responsible officer when a credit note needs to be raised.	February 2023	Corporate Services / Finance	1.Credit note requisition form created pending approval. 2.Credit note requisition process to be added in pro maps by Feb 23 13/04/2023, has been approved and added to promapps	Completed

Number	Finding	Recommendation / Solution	Expected Completion	Responsibility	Progress To Date	Status
13	Cancellation of Receipts - The Shire does not have a formally established and documented internal control procedure for cancellation of receipts.	1.The Shire should develop and use a documented internal control procedural guideline for the benefit of the relevant staff	February 2023	Corporate Services / Finance	Receipt Cancellation procedure documents done and added into promaps by Feb 23	Completed
14	Daily Receipting - There was no documentary evidence of a review of the daily receipting report.	1.The daily receipting report should be reviewed by an officer independent of the receipting function and the evidence of such review should be documented. Any discrepancies should be investigated and rectified without delay	July 2022	Corporate Services / Finance	Receipting batches are reviewed daily, and discrepancies are investigated at that point by the Senior Finance Officer. Senior Finance Signs and dates the batches.	Completed
15	Front Counter Cash Register - All operators of the front counter cash register use the same password.	1.The management should seek the possibility of introducing different passwords for each operator or introducing documented procedures to minimise the risk of unauthorised or fraudulent transactions occurring.	July 2024	Corporate Services / Finance	October 2023, Difficult to implement with the current ERP. To be resolved once we migrate to Altus staff have run an audit report that shows eft and cash payments that go through the cash register from external customers over a 2 month period average cash daily was calculated at \$280 per day. We recommend closing off this issue as there is minimal fraudulent activity that can occur considering the receipts are balanced everyday to synergy.	Completed
16	Payroll - Employee termination payment calculations were not evidenced as being reviewed and approved by a senior staff of the Shire.	1.Recommend that calculations of all termination payments are independently reviewed and the review be evidenced on the calculation sheet and it be retained.	July 2022	Corporate Services / Finance	These are currently being reviewed by both Senior Finance officer and Accountant who both sign and date the calculation sheet.	Completed
17	Payroll - We noted that in 3 out of 6 employee fortnightly payments we tested, there was no deduction authority in two instances and also anomalies were found in the amount deducted in one instance.	1.We recommend that supporting documents in respect of all deductions are retained and also care is taken to ensure that deductions are made in accordance with the deduction authority provided by the employees.	N/A	Corporate Services / Finance	Current procedures have all deduction amounts recorded against personal files.	Completed
18	Payroll - Employee pay slips show penalty as normal hours.	1.We recommend that management investigates this matter and take appropriate measures to rectify the issue.	October 2023	Corporate Services / Finance	October 2023, Altus payroll will resolve the issue when rolled out. Currently all the casuals that work on a Saturday will have the penalty rate appearing as normal hours. we however have very few casuals working on a Saturday as most casuals work Monday to Friday and during ordinary hours. When the issue was raised only 2 casuals had the payslip showing normal hours. We recommend closing the issue until roll out of Altus payroll.	Completed
19	General Journals - The same officer prepares and posts the journal entry without an independent review by a second officer.	1.We recommend that a senior person independent of the preparer reviews and authorises all journal entries before they are processed and evidence of authorisation retained.	July 2022	Corporate Services / Finance	Journals are signed off by either the Accountant, Senior Finance Officer or Exec Manager Corporate services.	Completed
20	General Journals - The Shire does not have a comprehensive documented policy or procedural guideline for general journals.	1.recommend that management develops and implements a comprehensive policy and procedures for the general journal process. The policy should be approved by the Council prior to being implemented.	February 2023	Corporate Services / Finance	More of a procedure guideline to be documented rather than a policy. Journals are done by Finance personnel and currently only the EMCS, Senior Accountant and senior finance officer can post journals. A guideline for journal procedure to be documented however currently the process is one initiates the journal and sends to another officer for authorisation.	Completed
21	Fixed Assets - Currently there is no process of formally documenting the disposal of assets i.e. Asset Disposal Form, and obtaining managements approval prior to disposal of individual assets.	1.We recommend that management introduce an Asset Disposal/Deletion form to formalise the asset disposals/deletions process, which should also be subject to appropriate authorisation.	December 2022	Corporate Services / Finance	Asset disposal form created, and procedure documented and uploaded in pro maps	Completed
22	Fixed Assets Reconciliation - That the monthly fixed asset reconciliations for the months of August 2021 to February 2022 have not been dated by the reviewer and the reconciliations for the months of March and April 2022 were not performed at the time of the review.	1.We recommend that monthly fixed asset reconciliations are performed in a timely manner and reviewed by an officer independent of the preparer and evidence of such review be documented on the reconciliation.	December 2022	Corporate Services / Finance	Fixed assets reconciled monthly by Senior Finance Officer and sent to Accountant for review. Accountant signs and dates.	Completed

Number	Finding	Recommendation / Solution	Expected Completion	Responsibility	Progress To Date	Status
23	IT Security Policy - The Shire does not have a formal (IT) Security Policy. Furthermore there is no formal process to review user access rights and privileges in the system to ensure they are in line with the responsibilities of individual staff member's roles/positions.	1.The Shire should develop a formal IT Security Policy and also ensure user access rights are periodically reviewed to ensure they are in line with individual staff roles and responsibilities.	N/A	Corporate Services / ICT	No Action July 2023 - there are certain security policy groups in place which enables only certain users with privileges to access those files in G drive. Further security can be enhanced where cross department access can be restricted and individuals cannot access certain files & folders. And user can be given access upon managers approval. October 2023, An internal ICT policy has been written which includes the process to review users with access rights to restricted files annually.	Completed

7.11 Progress Towards the ICT Strategy Plan

File Reference:	1.1.9.1
Reporting Officer:	Tamika Van Beek (Governance Officer)
Responsible Officer:	Colin Young (Executive Manager Corporate Services)
Officer Declaration of Interest:	Nil.
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

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

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 order to ensure that continuous improvement with ICT occurs within the organisation.

ATTACHMENTS

1. ICT Strategic Plan Action Plan [7.11.1 - 2 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. The Shire committed to strategic planning and leadership, focused on strengthening our community, providing growth, and diversifying the local economy.

One such Plan is the ICT Strategy Plan and this report provides an update on implementation of the actions associated with this Plan.

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 advised / determined

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](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
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 rd 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 presently provided to approximately 130 employees across the following sites – Administration Centre, Northam depot, Northam and Wundowie libraries, Bilya Koort Boodja Cultural centre, Visitor centre, Killara adult day care, Northam aquatic facility, the Wundowie swimming pool, Bush Fire Brigade facilities, as well as to the community and stakeholders. This ICT Strategic Plan establishes a course of action to guide the future development and delivery of ICT services for the Shire of Northam.

Key to table:

Completed

No Action

Underway

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.276

Moved: Cr M P Ryan

Seconded: Cr H J Appleton

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

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

CARRIED 3/0

For: Cr A J Mencshelyi, Cr H J Appleton and Cr M P Ryan

Against: Nil

Clarification was sought in relation to:

- In point 1 of the attachment it lists; no acting, no acting, then review and work on it. What does this mean?

The Business Solutions Coordinator advised that at the moment in regards to the ICT Policy, we are in the process of reviewing it and we are working towards creating it in the third quarter, between January and March 2024.

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	Draft strategic and operations plans developed. SLAs to be determined. February 2022 Update: In early discussions with external provider regarding SLAs. August 2022 Update: No progress. December 2022 Update: No progress. April 2023 - to review and work on it.	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
3	Business Systems and Applications	Appropriately managed business systems and applications will help consolidate and streamline business processes.	2021 / 2026	Corporate Services / ICT	Inventory Register established. RFO re: potential CRM/RMS upgrade/migration from Synergysoft occurring. February 2022 Update: Tenders have been received and staff will be evaluation and expecting to present to the next Audit Committee meeting. May 2022 Update: No progress. August: Staff are expecting to receive an overview of the Altus System within the month, this will then determine the best way forward. Feb 2023 Data Cleaning in process. COA restructuring project will be commencing soon. April 2023 - COA restructuring underway. July 2023 - Go live with new COA. Aug 2023 - New COA restructuring completed and currently used in Synergy. Staff's are being trained on using the new codes. 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.	Underway
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	Systems manual to be developed. Network communications infrastructure plan to be developed. February 2022 Update: No progress. May 2022 Update: No progress. August 2022, limited progress made largely around the Shires CCTV infrastructure which is having a needs assessment carried out. December 2022 Update: No progress. 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. July 2023 - To update the existing document as per Shire strategy for grant funding and improving the current CCTVs in place. November 2023 - CCTV Strategy and Audit Complete	Completed
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	Adhoc DR / Business Continuity plan in place and partially tested. Data retention plan developed	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>	Underway
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

8 URGENT BUSINESS APPROVED BY DECISION

Nil.

9 DATE OF NEXT MEETING


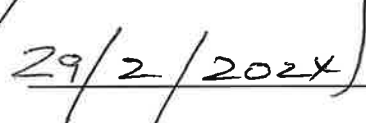
Proposed meeting dates:

- 29 February 2024 at 5:30pm.
- 23 May 2024 at 5:30pm.
- 29 August 2024 at 5:30pm.
- 28 November 2024 at 5:30pm.

10 DECLARATION OF CLOSURE

There being no further business, the Presiding Member, Cr A J Mencshelyi , declared the meeting closed at 6:12pm.

"I certify that the Minutes of the Audit & Risk Management Committee Meeting held on 11 December 2023 have been confirmed as a true and correct record."

 Presiding Member
 Date