



Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Agenda**

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

**19 April 2023**



**NOTICE PAPER**

**Audit & Risk Management Committee**

**19 April 2023**

Committee Members

I inform you that a Audit & Risk Management Committee will be held in the Council Chambers, located at 395 Fitzgerald Street, Northam on 19 April 2023 at 4:00 pm.

Yours faithfully



**Jason Whiteaker**  
**Chief Executive Officer**

## **DISCLAIMER**

This committee has been delegated authority by Council to receive and assess grant applications; and make a final determination on all grant applications received as part of the Community Grants Scheme.

This agenda has yet to be dealt with by the committee. The Recommendations shown at the foot of each item have yet to be considered by the committee and are not to be interpreted as being the position of the committee. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

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The Shire of Northam disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement of intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or Officer of the Shire of Northam during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Northam.

The Shire of Northam advises that anyone who has any application lodged with the Shire of Northam must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Northam in respect of the application.

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## **1 DECLARATION OF OPENING**

## **2 ACKNOWLEDGEMENT OF COUNTRY**

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

## **3 ATTENDANCE**

### **3.1 ATTENDEES**

#### **Council:**

Shire President

Deputy President

Councillors

C R Antonio

M P Ryan

H J Appleton

#### **Staff:**

Chief Executive Officer

Executive Manager Corporate Services

Governance Coordinator

Governance Officer

J Whiteaker

C J Young

A C McCall

T P Van Beek

#### **Guest:**

Assistant Director (OAG)

Director (Dry Kirkness)

I Dias

M van der Merwe

### **3.2 APOLOGIES**

Nil.

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

Cr A J Mencshelyi has been granted leave of absence from 03 April 2023 to 28 April 2023 (inclusive).

### **3.4 ABSENT**

Nil.

## **4 DISCLOSURE OF INTERESTS**

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

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

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

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

As defined in 34C of the Local Government (Administration) Regulations 1996, 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.

Item Name	Item No.	Name	Type of Interest	Nature of Interest

## **5 CONFIRMATION OF MINUTES**

### **5.1 CONFIRMATION OF MINUTES FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD 23 FEBRUARY 2023**

#### **RECOMMENDATION**

**That the minutes of the Audit and Risk Management Committee Meeting held on 23 February 2023 be confirmed as a true and correct record of that meeting.**

## **6 COMMITTEE REPORTS**

### **6.1 AUDIT ENTERANCE MEETING**

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

#### **BRIEF**

Council has been audited by the Office of Auditor General since 2018. Dry Kirkness was appointed as the nominated auditors for the OAG for the Shire of Northam for a period of three years, this is the Third year of that contract. As part of the audit procedures an audit entrance meeting is required.

#### **ATTACHMENTS**

1. Shire of Northam Planning Summary 2023 [**6.1.1** - 19 pages]
2. 2023 audit timetable - Northam ( Nov approval and Sept final) [**6.1.2** - 2 pages]

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

Nil.

#### **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 for the Shire to carry out the requirements of the Audit.

**B.3 Legislative Compliance**

Local Government Act 1995 and relevant subsidiary legislation.  
 Local Government (Audit) Regulations 1996

**B.4 Policy Implications**

N/A

**B.5 Stakeholder Engagement / Consultation**

N/A

**B.6 Risk Implications**

Refer to Risk Matrix [here](#).

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

**B.7 Natural Environment Considerations**

Nil.

**C. OFFICER'S COMMENT**

Indika Dias from the Office of Auditor General along with Marius van der Merwe from Dry Kirkness who will be carrying out the audit on behalf of the Office of Auditor General will give an overview of the Audit Planning Summary along with the proposed timeline.

Anne/ Marcia will brief the Committee on

1. Audit approach
2. Business operations
3. Significant risk and audit focus areas identified
  - see page 9 of the Planning summary
4. Significant Assets acquired and disposed
5. Compliance with Laws and regulations



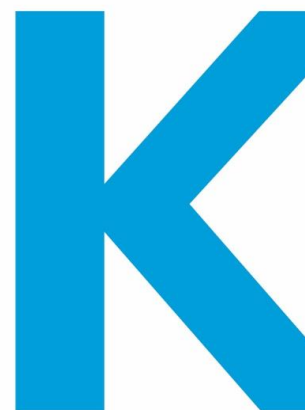
6. Changes in accounting policies
7. Related parties/ entities
8. Reporting protocols
  - Significant issues identified during the audit
  - Interim management letter
  - Final management letter
9. Audit Team
10. Audit timetable

**RECOMMENDATION**

**For Information only.**



D



K



DRY / KIRKNESS

Audit Planning Summary

Shire of Northam

Accounting / Audit & Assurance /  
Bookkeeping / Self-Managed  
Superannuation Funds



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## THE PLANNING SUMMARY

This Summary of our Audit Plan explains our approach to the audit of the annual financial report.

In particular, this Summary includes:

1. Introduction
2. Our Audit Approach
3. Business Operations
4. Significant Risks and Audit Focus Areas
5. Audit Emphasis and Significant Account Balances
6. Compliance with Laws and Regulations
7. Going Concern
8. Accounting Policies
9. Internal Audit
10. Management Representation Letter
11. Related Parties
12. Reporting Protocols
13. Specific Audit Requirements
14. Your Audit Team
15. Proposed Audit Schedule
16. Other Audit Activities

If there are any matters in the Planning Summary that you would like clarified, please do not hesitate to contact us.

There may be areas where you would like us to increase the audit focus. We would be pleased to discuss these to determine the most efficient and effective approach to performing this work.



## INTRODUCTION

### Auditor General

Following proclamation of the Local Government Amendment (Auditing) Act 2017, the Auditor General is responsible for the annual financial report audit of Western Australian Local Governments.

The Act allows the Auditor General to appoint contract audit firms to carry out the audit on their behalf.

### Contractor Appointment – Dry Kirkness (Audit) Pty Ltd ("DK")

DK has been contracted by the Auditor General to perform the Shire of Northam financial report audit on the Auditor General's behalf for the year ending 30 June 2023.

Our audit procedures will be conducted under the direction of the Auditor General, who will retain responsibility for forming the audit opinion and issuing the audit report to the Shire of Northam.

DK is required to report any matter to the Auditor General, which may affect the Auditor General's responsibilities under the Auditor General Act 2006.

### Responsibility of the Council and the CEO

It is important to note that:

1. Under the *Local Government Act 1995* and associated regulations, the Council and the CEO are responsible for keeping proper accounts and records, maintaining effective internal controls, preparing the annual financial report, and complying with the Local Government Act and Regulations, and other legislative requirements.
2. Under the *Local Government Act 1995* and associated regulations, the Council and the CEO have responsibility for maintaining internal controls that prevent or detect fraud or error and to ensure regulatory compliance. The Audit and Risk Committee and the Auditor General should be informed by management of any fraud or material errors. During the audit we will make inquiries with management about their process for identifying and responding to the risks of fraud, including management override. It should be noted that our audit is not designed to detect fraud, however should instances of fraud come to our attention, we will report them to you.
3. The Council and CEO are responsible for ensuring the accuracy and fair presentation of all information in its annual report, and that it is consistent with the audited annual financial statements. We do not provide assurance over your annual report.
4. An audit does not guarantee that every amount and disclosure in the annual financial report is error free. Also, an audit does not examine all evidence and every transaction. However, our audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the annual financial report.



Our audit is conducted in accordance with Australian Auditing Standards. Our aim is to provide reasonable assurance whether the annual financial report is free of material misstatement, whether due to fraud or error. We perform audit procedures to assess whether, in all material respects, the annual financial report is presented fairly in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

The nature of the audit is influenced by factors such as:

- the use of professional judgement
- selective testing
- the inherent limitations of internal controls
- the availability of persuasive rather than conclusive evidence.

As a result, an audit cannot guarantee that all material misstatements will be detected. We examine, on a test basis, information to provide evidence supporting the amounts and disclosures in the annual financial report, and assess the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by management.

#### **Conflicts of Interest**

We confirm we have completed our independence evaluation and are satisfied we do not have any actual or perceived conflicts of interest in completing the annual audit of the Shire of Northam on behalf of the Auditor General.

#### **Audit Approach**

DK's approach is designed to:

- Focus on key risks and financial areas
- Add value to your business by providing constructive ideas for improving internal controls and on-going business systems.

The partner-led assurance service team is committed to meeting specific business needs by:

- Working closely with you to get to know the business whilst maintaining independence
- Using the latest computerised systems and audit techniques
- Conducting an in-depth review of financial records to enable identification of key areas where additional support and attention will improve the business.

The audit will meet the statutory requirements under the *Local Government Act 1995* and *Regulations* and will be carried out in accordance with the Australian Auditing Standards.



**We will carry out such work as is necessary to form an opinion as to whether the annual financial report of the Shire is:**

- i) based on proper accounts and records
- ii) 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
- iii) in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

The attendance of at least one meeting per year of the Shire's audit and risk committee by a member of our audit team will be carried out if required.

The audit team will visit the Shire's offices during each stage of the audit and the engagement partner will be available for subsequent meetings at the Shire's request.



## OUR AUDIT APPROACH

Our audit approach comprises the following steps:

01	Pre-engagement activities	<ul style="list-style-type: none"> <li>+ Legislative requirements of independence</li> </ul>
02	Risk assessment procedures	<ul style="list-style-type: none"> <li>+ Discussions with the management team and members of the audit and risk management committee</li> <li>+ Review of key accounting systems and operations</li> <li>+ Understand and evaluate control environment</li> <li>+ Identify and assess risk</li> <li>+ Identify significant accounts</li> <li>+ Develop procedures to address risk and significant accounts</li> </ul>
03	Audit procedures	<ul style="list-style-type: none"> <li>+ Assess reliance on controls</li> <li>+ Perform tests of control, analytical review procedures and tests of detail at transaction level</li> </ul>
04	Completion and review	<ul style="list-style-type: none"> <li>+ Completion procedures</li> <li>+ Evaluation of audit evidence</li> <li>+ Review format of the financial report</li> <li>+ Verify balances and disclosures in the financial report, including the Notes</li> </ul>
05	Reporting and communication	<ul style="list-style-type: none"> <li>+ Form an opinion and provide opinion to OAG</li> <li>+ Report to management and OAG</li> <li>+ OAG issue their opinion</li> </ul>





Our audit approach involves assessing your overall control environment and understanding key business processes/cycles and internal controls relevant to the audit.

The level of testing will be dependent on our assessment of the risk in each business cycle.

The extent of our reliance on controls, together with the materiality level, determines the nature and extent of our audit procedures to verify individual account balances.

Our audit will be split into two components as follows:

#### **Interim audit**

This includes:

1. Updating our understanding of your current business practices
2. Updating our understanding of the control environment and evaluating the design and implementation of key controls and, where appropriate, whether they are operating effectively
3. Testing transactions to confirm the accuracy and completeness of processing accounting transactions, namely rates and grant revenue, expenditure and payroll
4. Clarifying significant accounting issues before the annual financial report is prepared for audit.

#### **Final audit**

This focuses on verifying the annual financial statements and associated notes, and includes:

1. Verifying material account balances using a combination of substantive analytical procedures, tests of details, substantiation to subsidiary records and confirmation with external parties
2. Reviewing the annual financial report and notes for compliance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.



## BUSINESS OPERATIONS

The Shire of Northam is located within the Avon sub-region of the WA Wheatbelt and covers an area of close to 1,443 square kilometres.. The western boundary of the Shire of Northam is situated approximately 50 kilometres from the Perth metropolitan area.

The Shire is home to just over 11,000 people with approximately 62% located in Northam.

Farming communities (which primarily produce wheat, barley, oats, sheep, wool and cattle) use Northam for their everyday banking, retail, shopping and government servicing requirements. The town has been established by the State Government as a regional centre, resulting in many government departments maintaining a strong presence.

Northam has a Senior High School, the Central Regional Tafe, the Muresk Institute (Department of Training and Workforce Development, WA Government), three Primary Schools and St Joseph’s School, which provides education to Year 10. Bakers Hill and Wundowie also have primary schools.

## SIGNIFICANT RISKS AND AUDIT FOCUS AREAS

Through discussions with your staff, we have identified the following issues and key areas of risk affecting the audit:

Details of Risk / Issue	Audit Approach
Audit findings reported in the previous audit.	We will follow-up on the resolution of issues reported in last year’s audit.
<p>Potential changes to <i>Local Government (Financial Management) Regulations</i> 1996 that have been signalled by the Department of Local Government, Sport and Cultural Industries (DLGSCI):</p> <ul style="list-style-type: none"> <li>New standardised templates are expected to be established for local government financial statements for 2022-23. The template for smaller (band 3 and 4) local governments is expected to have more streamlined standard financial statements, reflecting the generally less complex operations of smaller local governments.</li> </ul>	Upon communication of changes to the Local Government (Financial Management) Regulations 1996 by DLGSCI for 2022-23, we will review management’s assessment of the impact of the changes to the Regulation, and ensure the Shire’s financial report complies with the revised requirements of each regulation.
Important changes in management or the control environment	We will review any relevant changes to management roles and related delegations to confirm that no temporary or ongoing control gaps have occurred.



Details of Risk / Issue	Audit Approach
<p>We have identified the following areas that we consider require additional focus during our 2022-23 local government audits:</p> <ul style="list-style-type: none"> <li>• Revenue recognition, including contract liabilities</li> <li>• Unauthorised expenditure</li> <li>• Unrecorded liabilities and expenses</li> <li>• Fictitious employees</li> <li>• Revaluation of Infrastructure assets (last revalued in 2017-18)</li> <li>• Related party disclosures</li> <li>• Joint arrangement disclosures</li> <li>• Contingent liabilities disclosures</li> <li>• Restricted reserve accounts</li> </ul>	<p>We will review the accounting treatment and disclosure processes during our interim and final audits. We will ensure the disclosures in the annual financial report are appropriate and comply with the requirements of the Australian accounting standards.</p> <p>For asset revaluation, we will obtain the external (or management) valuation report and review the appropriateness of the main assumptions, valuation techniques and unobservable inputs used. Where valuation is performed internally, we ask that the Shire consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.</p> <p>For related party disclosures, we will make enquiries to understand the process for identification of related parties, review the signed related party transaction declarations from key management personnel (both current and departed), and assess whether the disclosures made in the notes to the annual financial report are appropriate.</p> <p>For joint arrangement disclosures, we will review if there are any new joint arrangements entered into during the year and assess their disclosures in the annual financial report.</p> <p>For contingent liabilities disclosures, the Shire has listed several sites to be possible sources of contamination, which are disclosed as contingent liabilities on the financial report. We will enquire with management for any contingent liabilities existing at reporting date and ensure appropriate disclosure in the annual financial report for identified contingent liabilities.</p> <p>For restricted reserve accounts, we will review the movements within the restricted reserve accounts, ensure that transfers out are used in accordance with the intended purpose of the respective reserve and agree to adequate supporting documents.</p>
<p>The following annual financial report items are derived from accounting estimates and hence will receive specific audit attention:</p> <ul style="list-style-type: none"> <li>• Fair value of PPE and Infrastructure <ul style="list-style-type: none"> <li>○ PPE last revalued in 2021-22</li> <li>○ Infrastructure (other) last revalued in 2017-2018</li> </ul> </li> <li>• Impairment of assets</li> <li>• Provision for annual and long service leave</li> <li>• Provision for rehabilitation of waste disposal sites (if any, at year end)</li> </ul>	<p>We will review the method and underlying data that management and, where applicable, third parties use when determining critical accounting estimates. This will include considering the reasonableness of assumptions and corroborating representations.</p> <p>For assets that are not revalued this year, we will review management's assessment of the carrying amounts of these assets, to ensure that they are not materially different from their fair values at the end of the reporting period.</p>



## AUDIT EMPHASIS ON SIGNIFICANT ACCOUNT BALANCES

The table below lists those items in the Statement of Financial Position and the Statement of Comprehensive Income that are significant and our planned audit approach for these balances. When selecting significant account balances, we consider materiality, the nature of the balance, inherent risk and the sensitivity of disclosures.

Significant Account	Audit Approach
Cash and cash equivalents	<ul style="list-style-type: none"> <li>Review internal controls and reconciliations</li> <li>Verify year-end balance through bank confirmations</li> <li>Analytical review</li> <li>Assess appropriateness of classification between unrestricted and restricted cash balances</li> </ul>
Receivables	<ul style="list-style-type: none"> <li>Year-end cut-off testing</li> <li>Review subsequent receipts</li> <li>Review provision for doubtful debts</li> <li>Analytical review</li> </ul>
Financial assets	<ul style="list-style-type: none"> <li>Verify assets to third party documentation</li> <li>Assess accounting treatment in line with accounting policies</li> <li>Assess assets for impairment</li> </ul>
Inventory	<ul style="list-style-type: none"> <li>Verify year end balances to supporting documentation</li> <li>Assess accounting treatment in line with accounting policies</li> </ul>
Property, plant, equipment and infrastructure	<ul style="list-style-type: none"> <li>Review key processes/controls</li> <li>Verify asset additions and disposals</li> <li>Assess assets for impairment</li> <li>Test items posted to construction in progress to assess appropriateness of expenses being capitalised</li> <li>Assess whether carrying amounts approximate fair value</li> <li>Where relevant, confirm balances to independent valuation reports</li> </ul>
Payables	<ul style="list-style-type: none"> <li>Review of key processes/controls</li> <li>Test for unrecorded liabilities</li> <li>Year-end cut off testing</li> </ul>
Contract liabilities	<ul style="list-style-type: none"> <li>Review of key processes and controls</li> <li>Analytical review</li> <li>Sample testing of transactions</li> </ul>
Provisions	<ul style="list-style-type: none"> <li>Review the reasonableness of assumptions and calculations</li> <li>Agree amounts to actuary/expert's report</li> <li>Analytical review</li> </ul>



Significant Account	Audit Approach
Borrowings	<ul style="list-style-type: none"> <li>• Verification of year end balances to supporting documents</li> </ul>
Grants, subsidies & contributions	<ul style="list-style-type: none"> <li>• Review of key processes and controls</li> <li>• Analytical review</li> <li>• Sample testing of transactions</li> </ul>
Fees and charges	<ul style="list-style-type: none"> <li>• Review of key processes and controls</li> <li>• Analytical review</li> <li>• Year-end cut-off testing</li> </ul>
Interest received	<ul style="list-style-type: none"> <li>• Analytical review</li> </ul>
Other revenue	<ul style="list-style-type: none"> <li>• Analytical review</li> <li>• Sample testing of transactions</li> </ul>
Employee related expenses	<ul style="list-style-type: none"> <li>• Review of key processes and controls</li> <li>• Sample testing of transactions</li> <li>• Analytical review</li> </ul>
Materials and contracts	<ul style="list-style-type: none"> <li>• Review of key processes and controls</li> <li>• Sample testing of transactions</li> <li>• Analytical review</li> </ul>
Utility charges	<ul style="list-style-type: none"> <li>• Review of key processes and controls</li> <li>• Sample testing of transactions</li> <li>• Analytical review</li> </ul>
Depreciation and amortisation	<ul style="list-style-type: none"> <li>• Review of management's assessment of the useful lives of assets and assess reasonableness.</li> <li>• Analytical review</li> </ul>
Interest expenses	<ul style="list-style-type: none"> <li>• Review of management's assessment of the useful lives of assets and assess reasonableness</li> <li>• Analytical review</li> </ul>
Insurance expenses	<ul style="list-style-type: none"> <li>• Review of key processes/controls</li> <li>• Sample testing of transactions</li> <li>• Analytical review</li> </ul>
Other expenses	<ul style="list-style-type: none"> <li>• Review of key processes/controls</li> <li>• Sample testing of transactions</li> <li>• Analytical review</li> </ul>



## COMPLIANCE WITH LAWS AND REGULATIONS

Management is to ensure the entity complies with the Local Government Act 1995 (as amended), and the Local Government (Financial Management) Regulations 1996 (as amended).

We are required by the Local Government Act 1995 and Local Government (Audit) Regulations 1996 to test compliance with the Act and Regulation.

## GOING CONCERN

Auditing Standard ASA 570 *Going Concern* requires that we consider the appropriateness of the going concern assumption at the planning stage.

The Shire, being a form of local government is backed by the State Government; hence going concern assumption is deemed reasonable.

Based on the 2022/23 Annual Budget, the Shire is expecting a net surplus of \$2,862,608. We further note that as at 30 June 2022, the Shire has a net current asset position of \$7,974,509 of which \$5,868,771 relates to restricted cash reserves. Non-current liabilities as at 30 June 2022 were \$5,681,628.

Although the Shire is supported by the State Government, during the audit we will consider the impact of a potential net current asset deficiency on the indicators of adverse financial trends with regards to our reporting obligations under the Act and Regulations.

Hence, the going concern basis of accounting is considered appropriate at planning stage.

## ACCOUNTING POLICIES

The Shire appears to be adopting all the recognition and measurement requirements of the applicable Australian Accounting Standards.

We do not anticipate any significant changes from new accounting standards during the year.

## INTERNAL AUDIT

We seek to rely on internal audit work to reduce our own audit work wherever possible. This avoids duplication of audit effort and the associated workload on your operational and administrative staff.

This year, no reliance is planned to be placed on internal audits as the Shire does not have an internal audit function and no internal audits are conducted.



## MANAGEMENT REPRESENTATION LETTER

Our audit procedures assume that management expects to be in a position to sign a management representation letter.

This letter should be reviewed and tailored to meet your Shire's particular circumstances, and be signed and dated by the CEO and Deputy CEO as close as practicable to the date of the proposed auditor's report. Ordinarily, this would be no longer than five working days prior to the issue of the auditor's report.

Please bring to the attention of the President that we will also be relying on the signed Statement by CEO in the annual financial report as evidence that they confirm that:

- they have fulfilled their responsibility for the preparation of the annual financial report in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards
- they have provided us with all relevant information necessary or requested for the purpose of the audit
- all transactions have been recorded and are reflected in the annual financial report.

## RELATED PARTIES

Section 7.12AL of the *Local Government Act 1995* applies section 17 of the *Auditor General Act 2006* to a local government. Section 17 requires a local government to advise the Auditor General in writing of details of all related parties and entities that are in existence.

## REPORTING PROTOCOLS

Significant issues identified during the course of the audit will be discussed with relevant staff and management as soon as possible after being identified. Draft management letters will be provided to your CEO (or other nominated representative) for coordination of comments from appropriate members of your management. We request that these be returned quickly, preferably within 10 working days.

At the conclusion of the audit, the abovementioned management letter will accompany the auditor's report and the audited annual financial report forwarded to the President, the CEO and the Minister for Local Government. The management letter is intended to communicate issues arising from the audit that may impact on internal control, compliance, and financial reporting.

Where considered appropriate, and to ensure timely reporting of audit findings and action by management, interim management letters may be issued to the CEO.

On conclusion of the audit, we propose to discuss the audit outcomes with the audit committee, CEO and Councillors.



Thereafter, as required by section 7.12AD(2) of the *Local Government Act 1995*, we will give our auditor’s report to the CEO, the President and the Minister. We will also give them any management letter issues, including interim management letters.

Specific matters resulting from issues identified during the audit may be reported in the Auditor General’s Report to Parliament. Should this occur, you will be consulted in advance to assure the context and facts of the issue are adequately represented.

## SPECIFIC AUDIT REQUIREMENTS

We will discuss our requirements with your staff to facilitate a timely, efficient and effective audit. We will formally agree our information requirements and timeframes for the audit with your CEO and by using your staff to have various documents readily available when we perform our audit.

Please note however that in several instances, particularly during our audit sampling at the interim visits, audit staff will need to retrieve some evidence themselves, rather than being given the evidence by your staff. This is essential for an independent audit.

## YOUR AUDIT TEAM

	<b>Name</b>	<b>Contact</b>
<b>OAG Representative</b>	Indika Dias	(08) 6557 7601 Indika.dias@audit.wa.gov.au
<b>Dry Kirkness Director</b>	Marius van der Merwe	(08) 9480 2937 mvd@m@drykirkness.com.au
<b>Dry Kirkness Manager</b>	Danielle Cavanagh	(08) 9480 2923 Danielle@drykirkness.com.au
<b>Dry Kirkness Auditor</b>	Lucy Gardner	(08) 9480 2908 lucy@drykirkness.com.au

Marius van der Merwe will be your primary contact and will communicate progress and any emerging issues to you.

See attached team profiles.

## PROPOSED AUDIT SCHEDULE

See attached Audit Timetable.





## OTHER AUDIT ACTIVITIES

The OAG has recently completed or is undertaking financial and performance audits relevant to local government. Through these audits, OAG aims to identify good practice and opportunities for improvement. You may therefore wish to review these reports as they may have relevance to your local government. They are available at [www.audit.wa.gov.au](http://www.audit.wa.gov.au).

A summary of relevant reports issued from January 2022 are listed below:

- Information Systems Audit Report 2022 – State Government Entities (Mar 2022)
- Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impacts (May 2022)
- Covid-19 Contact Tracing System - Application Audit (May 2022)
- 2022 Transparency Report: Major Projects (June 2022)
- Forensic Audit - Construction Training Fund (June 2022)
- Fraud Risk Management - Better Practise Guide (June 2022)
- Information System Audit Report 2022 - Local Government Entities (June 2022)
- Financial Audit Results – Local Government 2020-21 (Aug 2022)
- Audit Committees - Summary of Audit Committee Chair Forum (Oct 2022)
- Forensic Audit Results - (Nov 2022)
- Financial Audit Results – State Government 2021-22 (Dec 2022)
- Funding of Volunteer Emergency and Fire Services (Dec 2022)

# Your Specialist Audit Team

Our partners are hands on to provide every client with greater continuity, individual attention and close partner involvement.

We have put together a specialist audit team for your organisation who we believe will add the greatest value to your business. Your engagement team for 2023 provides a combination of continuity and fresh ideas. This helps to ensure that we build on previous experience and make the audit process as smooth as possible.

Their combined skills and experience in your industry bring you the qualities that you should expect from your audit team; accessibility, specialist knowledge, technical expertise and corporate governance.

With every client, we first schedule meetings with the management team to review the progress and quality of our audit, and any concerns you may have including, industry issues, business, operational, accounting, taxation or reporting issues.

Regardless of the subject, you will have direct access to key members of our team. You will be able to schedule meetings as and when you need them.

We want you to be comfortable with the level and type of communication we are providing. Our goal is for you to always feel well informed but not overwhelmed by too much information.



## MARIUS VAN DER MERWE

Partner, Dry Kirkness (Audit) Pty Ltd



### CONTACT DETAILS

Direct Line: (08) 9480 2937

Email: [mvdm@drykirkness.com.au](mailto:mvdm@drykirkness.com.au)

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An experienced accountant and registered company auditor Marius has lead audit teams in South Africa and Australia for more than 25 years.

At Dry Kirkness he specialises in external audit and investigations with a portfolio including Australian financial services license holders, not-for-profit entities and local governments. He brings a deeply enquiring mind to his work and is a real problem solver, getting solutions to issues for our clients.

Marius is passionate about red meat, golf, and gaming competitions with his family. He has an abundant level of energy which he applies to every assignment he's involved with.

You can contact Marius at [mvdm@drykirkness.com.au](mailto:mvdm@drykirkness.com.au)



## Danielle Cavanagh

Audit Manager, Dry Kirkness (Audit) Pty Ltd



### CONTACT DETAILS

Direct Line: (08) 9480 2923

Email: [danielle@drykirkness.com.au](mailto:danielle@drykirkness.com.au)

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Danielle gained most of her experience in a mid-tier public practice in Glasgow UK, where over ten years she gained experience in both external and internal audits in many industries. She then moved to a larger firm to undertake the role of audit supervisor and further her leadership skills.

Since moving to Australia in 2013 Danielle has been overseeing audits in many industries, including a large property management portfolio, where she collaborates with clients and staff continuously in order to achieve the best outcomes for all involved.



AUDIT SOC:	Shire of Northam		
AUDIT AREA:	Audit timetable		
PREPARED BY:	DK	DATE:	7 March 2023

Our audit timetable for the financial year ended 30 June 2023 is as follows:

Key area	Target date	Person responsible
<b>Audit Planning</b>		
Send list of requirements for planning	13 March 2023	DK
Planning information provided to audit	27 March 2023	LG
Audit Planning and Risk Assessment	3 April 2023	DK
Planning document to OAG for review	3 April 2023	DK
Entrance meeting document provide to the LG for agenda	12 April 2023	DK
Audit Entrance Meeting with Audit Committee Meeting	19 April 2023	LG / OAG / DK
<b>Interim Audit</b>		
Send list of requirements for Interim	20 March 2023	DK
Reconciled financial information ready for audit (up to 31 January 2023) Interim Information provided	3 April 2023	LG
Interim Audit selections to the LG	10 April 2023	DK
Information and sample ready for audit	17 April 2023	LG
Interim Audit visit	24 April 2023	LG / DK
DK Review	8 May 2023	DK
OAG Review	15 May 2023	OAG
Issue of Interim Management Letter (if applicable)	2 June 2023	DK / OAG
<b>Final Audit</b>		
Bank confirmation letters	3 July 2023	LG / DK
Final audit list of requirements to the LG	31 July 2023	DK
Reconciled financial information ready for audit - Trial Balance - Balance Sheet Reconciliations	14 Aug 2023	LG
Provide information requested by audit		
Draft Financial Report provided to audit	30 Sept 2023	LG
Audit selections to the LG	21 Aug 2023	DK
Information and sample ready for audit	28 Aug 2023	LG
Audit fieldwork visit	4 – 8 Sept 2023	LG / DK
Meeting with Management	20 Sept 2023	DK
DK Final Review	20 Sept 2023	DK
File presented to OAG for review	8 Oct 2023	OAG
<b>Financial Report</b>		
Draft Audited Financial Report to the LG with OAG comments	20 Oct 2023	LG / DK
Draft Audited Financial Report and completion documentation ready for Internal Agenda - Review	27 Oct 2023	DK



AUDIT SOC:	Shire of Northam		
AUDIT AREA:	Audit timetable		
PREPARED BY:	DK	DATE:	7 March 2023

Key area	Target date	Person responsible
<b>Completion and Exit</b>		
Meeting with Audit Committee/Council - Audit Exit Meeting	1 Nov 2023	LG / OAG / DK
Final package to OAG for signing	3 Nov 2023	OAG
Approval by the CEO <ul style="list-style-type: none"> <li>• Draft Annual Financial Report</li> <li>• Management Representation Letter</li> </ul>	3 Nov 2023	LG
Issue of Auditor's Report	8 Nov 2023	OAG
Council Meeting to adopt AFR	15 Nov 2023	LG

**Key:**

- LG = Shire of Northam – Colin Young (Executive Manager Corporate Services)
- DK = Dry Kirkness Audit – Marius van der Merwe (Director) and Team
- OAG = Indika Dias (Assistant Director)

## 6.2 MONTHLY COMPLIANCE REPORT

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

### BRIEF

This report provides Council with an overview of the Shire's monthly compliance activities.

### ATTACHMENTS

1. Procurement Audit February 2023 [**6.2.1** - 1 page]
2. Procurement Audit March 2023 [**6.2.2** - 1 page]
3. Compliance Audit February 2023 [**6.2.3** - 5 pages]
4. Compliance Audit March 2023 [**6.2.4** - 6 pages]

## A. BACKGROUND / DETAILS

Under the Local Government (Audit) Regulations 1996, a Local Government is required to carry out a Compliance Audit for the period 1 January to 31 December of each year. To ensure compliance and to strengthen the auditing in key areas on a more regular basis, the Shire has implemented 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

N/A

**B.3 Legislative Compliance**

There is no legislative requirement to maintain a Compliance Calendar, however it is considered best practice and covers the following Regulations:

- *Local Government (Functions and General) Regulations 1996;*
- *Local Government (Administration) Regulations 1996;*
- *Local Government (Elections) Regulations 1997;*
- *Local Government (Audit) Regulations 1996;*
- *Local Government (Rules of Conduct) Regulations 2007.*

**B.4 Policy Implications**

Nil.

**B.5 Stakeholder Engagement / Consultation**

Nil.

**B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	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**

N/A

**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.



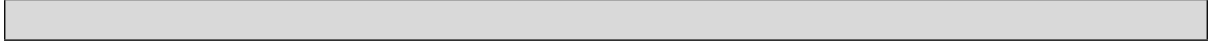
Included in the Compliance Calendar is a random audit of Creditors to ensure compliance with the Shire's purchasing policy and the requirements of the *Local Government Act 1995*.

A summary of the compliance is provided below:

Month	Item	% Compliance	Non-Compliance
February 2023	Internal Compliance Audit	95%	<ul style="list-style-type: none"> <li>Delegated authority register not being updated for E04 - Crossover determinations O79996, O79827 and O79828. H02 - Registration &amp; Licences, Portable Signs, Stable Licences, Morgues &amp; Offensive Trades. P01 - Non-compliance with LPS6 &amp; Planning Direction for J&amp;S Kelly.</li> <li>BSL payment not being made by 14th. - BCITF payment not being made by 10th.</li> </ul>
	Random Creditor Check	100%	
March 2023	Internal Compliance Audit	99%	BCTF Levy payment scheduled 4 days after due date.
	Random Creditor Check	95%	One purchase order was raised after the invoice date.

**RECOMMENDATION**

**That Council receive the update as provided in the monthly Compliance Calendar Report.**



**FEBRUARY 2023 PROCUREMENT AUDIT**

EFT Number	Creditor	Invoice Description	Invoice Amount	Invoice Date	Purchase Order Number	Purchase Order Amount	Purchase Order Date	Authorising Officer	Date of Order Prior to Invoice	Compliance with Purchasing Policy/Process
EFT46337	JH COMPUTER SERVICES PTY LTD	PURCHASE OF IT EQUIPMENT	A\$5,555.00	29/01/23	69099	A\$8,195.00	21/11/22	C YOUNG	Yes	Yes
EFT46342	MANDALAY TECHNOLOGIES PTY LTD	PROGRESS PAYMENT FOR WASTE SOFTWARE	A\$10,120.00	24/01/23	69712	A\$23,920.00	18/01/23	J JURMANN	Yes	Yes
EFT46413	DAMIAN'S PLUMBING	INSTALL VALVE AND TEST POINT TO REUSED MAIN BEHIND POLO CLUB	A\$7,260.00	01/02/23	68529	A\$7,260.00	13/10/22	K BOASE	Yes	Yes
EFT46439	NORTHAM VETERINARY CENTRE	TREAT INJURED CYGNET	A\$107.52	01/02/23	69756	A\$300.00	23/01/23	K WALTERS	Yes	Yes
EFT46404	AVON VALLEY GLASS	SUPPLY AND INSTALL FRONT WINDSCREEN	A\$530.00	23/01/23	69726	A\$530.00	19/01/23	A ESPEY	Yes	Yes
EFT46585	WARRICKS NEWSAGENCY	2023 DIARIES	A\$414.22	14/11/22	68903	A\$414.22	08/11/22	K HOPKINS	Yes	Yes
EFT46548	DCM CARPENTRY AND MAINTENANCE PTY LTD	TOWN HALL REPLACE SAGGING KITCHEN CEILING AND PAINT AS PER QUOTE	A\$7,029.00	08/02/23	69728	A\$7,029.00	19/01/23	S MOORHEAD	Yes	Yes
EFT46468	BELINGARNI FABRICATION HOME AND PROPERTY SERVICES	FUEL REDUCTION VARIOUS PROPERTIES	A\$492.00	29/01/23	69518	A\$1,500.00	04/01/23	J JURMANN	Yes	Yes
EFT46524	WESTERN IRRIGATION PTY LTD	ASSEMBLE REPLACEMENT PUMPS AND PREPARE FOR REINSTALLATION INTO HENREY STREET PUMP STATION	A\$11,000.00	31/01/23	67674	A\$11,000.00	12/08/22	S PATTERSON	Yes	Yes
EFT46483	FULTON HOGAN INDUSTRIES PTY LTD	2 X 2000LT IBC'S OF EMULSION - SUMMER GRADE	A\$2,860.00	09/02/23	69953	A\$2,860.00	07/02/23	K BOASE	Yes	Yes
	<b>COMPLIANCE</b>		100%							
	<b>COMPLETED BY:</b>		ALYSHA MCCALL							
	<b>SIGNED:</b>									

EFT Number	Creditor	Invoice Description	Invoice Amount	Invoice Date	Purchase Order Number	Purchase Order Amount	Purchase Order Date	Authorising Officer	Date of Order Prior to Invoice	Compliance with Purchasing Policy/Process
EFT46622	GRAFTON ELECTRICS	INSTALLING 3 POWER POINTS AT VISITOR CENTRE AND BKB AS PER QUOTE	A\$3,520.00	01/08/22	67441	A\$3,520.00	28/07/22	S MOORHEAD	Yes	Yes
EFT46623	HARBOUR SOFTWARE PTY LTD	DOC ASSEMBLER INITIAL ANNUAL SUBSCRIPTION FEE & DOCS ON TAP INITIAL ANNUAL SUBSCRIPTION FEE	A\$14,300.00	02/12/22	69146	A\$28,000.00	24/11/22	J WHITEAKER	Yes	Yes
EFT46642	NORTHAM BETTA HOME LIVING	KAMBROOK THE POUR WITH EASE MULTI-DIRECTIONAL KETTLE & PHILIPS 3000 SERIES IRON AZUR GREEN	A\$162.95	21/02/23	70127	A\$162.95	21/02/23	N HAMPTON	Yes	Yes
EFT46700	DRACO AIR PTY LTD	REC CENTRE - REPLACEMENT WATER COOLER	A\$4,695.90	01/03/23	70155	A\$4,695.90	23/02/23	S MOORHEAD	Yes	Yes
EFT46946	WHEATBELT PRECISION SERVICES - JEFFERY ROBERTS T/AS	BAKERS HILL 3.4U - REPAIR OF DAMAGE SUSTAINED AT SHINGLE HILL RD.	A\$3,151.72	14/03/23	68730	A\$3,784.70	26/10/22	A ESPEY	Yes	Yes
EFT46937	UTF AUSTRALIA PTY LTD	REPAIRS TO BOBCAT TRAILER AT UNIVERSAL TRAILERS, RESULTING FROM ACCIDENT IN WUNDOWIE	A\$3,381.73	01/02/23	70211	A\$3,645.73	27/02/23	K HOPKINS	No	Yes
EFT46918	PROFESSIONAL LOCKSERVICE	VISITOR CENTRE REPAIR/REPLACE FRONT CLOSER AND EASE LOCK & ADMIN BUILDING REPLACE LOCK TO SECURE STORE DOOR WITH MASTER KEY LOCK	A\$1,253.89	24/03/23	70384	A\$1,253.89	14/03/23	S MOORHEAD	Yes	Yes
EFT46860	BUNNINGS BUILDING SUPPLIES P/L	HIRE SHOP BRITEX CARPET CLEANER 48 HR HIRE & HIRE SHOP BRITEX UPHOLSTERY WAND 24 HR	A\$94.05	24/03/23	70404	A\$119.45	16/03/23	D JUPP	Yes	Yes
EFT46849	WHEATBELT COVERTEK	SUPPLY AND INSTALL SHADE SAIL OVER BERNARD PARK PLAYGROUND	A\$2,981.00	09/03/23	69669	A\$2,981.00	16/01/23	K BOASE	Yes	Yes
EFT46820	OXTER SERVICES	COMMERCIAL ROLL TOWEL (16 ROLLS PER CTN)	A\$83.95	08/03/23	70277	A\$83.95	03/03/23	G WHITE	Yes	Yes
	<b>COMPLIANCE</b>		95%							
	<b>COMPLETED BY:</b>	Alysha McCall								
	<b>SIGNED:</b>									

## Internal Audit 2023

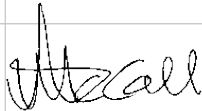
Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	February	February Comments
Code of Conduct	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website	Local Government Act 1995	s5.104(7)	Monthly	Governance Officer	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	Governance Coordinator	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	CEO / Executive Managers	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	CEO / Executive Managers	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	CEO / Executive Managers	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	CEO / Executive Managers	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	CEO / Executive Managers	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	Governance Coordinator	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	Governance Coordinator	No	E04 - Crossover determinations O79996, O79827 and O79828 not recorded on register.  H02 - Registration & Licences, Portable Signs, Stable Licences, Morgues & Offensive Trades not recorded on register for 2022/23.  P01 - Non-compliance with LPS6 & Planning Direction for J&S Kelly not recorded on register.
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	Governance Coordinator	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	Governance Officer	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	Governance Officer	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	Governance Coordinator	Yes	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	February	February Comments
<b>Disclosure of Interest</b>	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	Governance Coordinator	Not applicable	
<b>Disclosure of Interest</b>	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	Governance Officer	Not applicable	
<b>Disposal of Property</b>	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	Governance Coordinator	Yes	Completed for hangar disposal
<b>Disposal of Property</b>	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	Governance Coordinator	Yes	Completed for hangar disposal
<b>Finance</b>	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	Senior Accountant	Yes	
<b>Gifts</b>	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 Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A	Local Government Act 1995	s5.89A(1), (2) & (3) Admin Reg 28A	Monthly	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	Was all information provided in applications for the position of CEO true and accurate	Local Government Act 1995	Admin Reg 18E	Monthly	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	Did the CEO inform council of each proposal to employ or dismiss senior employee	Local Government Act 1995	s5.37(2)	Monthly	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Official Conduct</b>	Has the local government designated an employee to be its complaints officer	Local Government Act 1995	s5.120	Monthly	Executive Manager Corporate Services	Yes	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	February	February Comments
<b>Official Conduct</b>	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	Executive Manager Corporate Services	Yes	
<b>Official Conduct</b>	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	Executive Manager Corporate Services	Yes	
<b>Official Conduct</b>	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	Governance Officer	Yes	
<b>Other</b>	Was the below information provided to the Valuer General by the 14th day of each month: <ul style="list-style-type: none"> <li>• building licenses issued</li> <li>• building license works completed</li> <li>• registered plans and amendments under the Strata Titles Act 1985</li> </ul>	Valuation of Land Act 1978	s.37	Monthly	Development Services Support Officer	Yes	
<b>Other</b>	Building Services Levy - Payment due by 14th day after the end of the month	Building Services (Complaint Resolution and Administration) Regulations 2011	s.94	Monthly	Development Services Support Officer	No	Payment made on 23/02/2023.
<b>Other</b>	Building Construction Training Fund Levy - Payment due by 10th day after the end of the month	Building and Construction Industry Training Fund and Levy Collection Act 1990	N/A	Monthly	Development Services Support Officer	No	Payment made on 22/02/2023.
<b>Other</b>	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995	Local Government Act 1995	s5.96A(1), (2), (3) & (4)	Monthly	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Not applicable	
<b>Primary / Annual Returns</b>	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	Governance Officer	Not applicable	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	February	February Comments
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	1 EOI was advertised however not for RFT and was advertised via WALGA preferred supplier panel (RFQ).
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	



Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	February	February Comments
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
						<b>Compliance Items</b>	63
						<b>Items Compliant</b>	60
						<b>Items Non-Compliant</b>	3
						<b>Percentage Compliant</b>	95%
						Auditor:	Alysha McCall
						Auditor Signature:	
						Date Completed:	16/03/2023

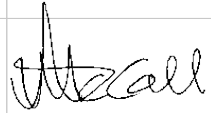
## Internal Audit 2023

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
<b>Code of Conduct</b>	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	Governance Officer	Yes	
<b>Code of Conduct</b>	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	Governance Coordinator	Yes	
<b>Commercial Enterprises by Local Governments</b>	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	CEO / Executive Managers	Not applicable	
<b>Commercial Enterprises by Local Governments</b>	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	CEO / Executive Managers	Not applicable	
<b>Commercial Enterprises by Local Governments</b>	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	CEO / Executive Managers	Not applicable	
<b>Commercial Enterprises by Local Governments</b>	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	CEO / Executive Managers	Not applicable	
<b>Commercial Enterprises by Local Governments</b>	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	CEO / Executive Managers	Not applicable	
<b>Delegation of Power / Duty</b>	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	Governance Coordinator	Not applicable	
<b>Delegation of Power / Duty</b>	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	Governance Coordinator	Yes	
<b>Disclosure of Interest</b>	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	Governance Coordinator	Not applicable	
<b>Disclosure of Interest</b>	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	Governance Officer	Not applicable	
<b>Disclosure of Interest</b>	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	Governance Officer	Yes	
<b>Disclosure of Interest</b>	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	Governance Coordinator	Yes	
<b>Disclosure of Interest</b>	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	Governance Coordinator	Not applicable	
<b>Disclosure of Interest</b>	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	Governance Officer	Not applicable	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
<b>Disposal of Property</b>	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	Governance Coordinator	Yes	
<b>Disposal of Property</b>	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	Governance Coordinator	Yes	
<b>Finance</b>	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	Senior Accountant	Yes	
<b>Gifts</b>	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 Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A	Local Government Act 1995	s5.89A(1), (2) & (3) Admin Reg 28A	Monthly	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Yes	
<b>Gifts</b>	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	Governance Officer	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	Was all information provided in applications for the position of CEO true and accurate	Local Government Act 1995	Admin Reg 18E	Monthly	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	Did the CEO inform council of each proposal to employ or dismiss senior employee	Local Government Act 1995	s5.37(2)	Monthly	People & Culture Coordinator	Not applicable	
<b>Local Government Employees</b>	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	People & Culture Coordinator	Not applicable	
<b>Official Conduct</b>	Has the local government designated an employee to be its complaints officer	Local Government Act 1995	s5.120	Monthly	Executive Manager Corporate Services	Yes	
<b>Official Conduct</b>	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	Executive Manager Corporate Services	Yes	
<b>Official Conduct</b>	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	Executive Manager Corporate Services	Yes	
<b>Official Conduct</b>	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	Governance Officer	Yes	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
<b>Other</b>	Was the Compliance Audit Return completed by 31 March	Local Government Act 1995	s.7.13(1)(i) Audit.Regs. 13, 14 and 15	March	Governance Coordinator	Yes	
<b>Other</b>	Was the below information provided to the Valuer General by the 14th day of each month: <ul style="list-style-type: none"> <li>• building licenses issued</li> <li>• building license works completed</li> <li>• registered plans and amendments under the Strata Titles Act 1985</li> </ul>	Valuation of Land Act 1978	s.37	Monthly	Development Services Support Officer	Yes	
<b>Other</b>	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 June December March	Governance Coordinator	Not applicable	
<b>Other</b>	Building Services Levy - Payment due by 14th day after the end of the month	Building Services (Complaint Resolution and Administration) Regulations 2011	s.94	Monthly	Development Services Support Officer	Yes	At the time of finalising this audit, payment was scheduled for 14 April.
<b>Other</b>	Building Construction Training Fund Levy - Payment due by 10th day after the end of the month	Building and Construction Industry Training Fund and Levy Collection Act 1990	N/A	Monthly	Development Services Support Officer	No	At the time of finalising this audit, payment was scheduled for 14 April.
<b>Other</b>	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995	Local Government Act 1995	s5.96A(1), (2), (3) & (4)	Monthly	Governance Officer	Yes	
<b>Other</b>	Emergency Services Levy payment made by 21 day	DFES - ESL Manual of Operating Procedures	2.2.12	December June March September	Creditors Officer	Yes	Payment made 17/03/2023.
<b>Policy</b>	Did the local government prepare, adopt by absolute majority and publish an up-to date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events	Local Government Act 1995	s5.90A(2) & (5)	March	Governance Officer	Yes	
<b>Policy</b>	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members	Local Government Act 1995	s5.128(1)	March	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	Awaiting for the return from Cr Biglin and C Redmond.
<b>Primary / Annual Returns</b>	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	Governance Officer	Not applicable	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Primary / Annual Returns</b>	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	Governance Officer	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Yes	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
<b>Tenders for Providing Goods &amp; Services</b>	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	Procurement Coordinator	Not applicable	
						<b>Compliance Items</b>	68
						<b>Items Compliant</b>	67
						<b>Items Non-Compliant</b>	1
						<b>Percentage Compliant</b>	99%
						Auditor:	Alysha McCall
						Auditor Signature:	

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	March	March Comments
						Date Completed:	12/04/2023

### 6.3 RISK REGISTER

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

#### BRIEF

To provide Council with information pertaining to the organisational risk register.

#### ATTACHMENTS

1. Risk Register - Overdue / Non-Compliant Risks [6.3.1 - 5 pages]

#### A. BACKGROUND / DETAILS

The Shire of Northam have an organisational wide risk register which 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 Shire of Northam and an area which was receiving a focus to ensure the Elected Council was aware of the identified risks and treatments strategies in place.

To assist in the effective management of risk the Shire of Northam are 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 OHS management.

**B.3 Legislative Compliance**

AS/NZS ISO 31000:2009.

**B.4 Policy Implications**

Council has recently endorsed policy G1.11 – Risk Management.

**B.5 Stakeholder Engagement / Consultation**

Council was involved in the development of the risk management policy and the past endorsement of the risk management plan.

**B.6 Risk Implications**

Refer to Risk Matrix [here](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
Financial	Nil.	N/A	N/A
Health & Safety	Nil.	N/A	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	Nil.	N/A	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	Nil.	N/A	N/A
Environment	Nil.	N/A	N/A

**B.7 Natural Environment Considerations**

N/A.

**C. OFFICER'S COMMENT**



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

Currently have 136 risk mitigation/treatment strategies, of which **2 are overdue (which equates to 1.47%)**.

- MC00043 - OHS Committee Meeting Regularly.

*Comment – WHS meetings under review with new Safety Officer.*

- MC00045 - Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item).

*Comment – WHS System Review is planned to be undertaken at April 2023 Executive Meeting.*

#### **RECOMMENDATION**

**That Council receives the April 2023 Shire of Northam Risk Register update.**



## Overdue / Non-Compliant Risks

Filter: Overdue / Non-compliant

<p>RESIDUAL <b>6.0</b> MODERATE</p> <p>INHERENT <b>20.0</b></p> <p>R00001</p>	<p>CORPORATE SERVICES, COMPLIANCE - LEGISLATIVE</p> <p><b>Failure to fulfil statutory, regulatory or compliance requirements</b></p> <p>Council is exposed to reputation damage and serious breaches due to a failure to comply with legislative and compliance requirements</p>	<p>TREATMENT MC00002</p> <p>Audit of monthly compliance calendar</p>	<p>SIGNOFF(S): Alysha McCall</p> <p>DUE DATE: 14 May 2023</p> <p>FREQUENCY: 14th day of every month</p>
	<p>OWNER Colin Young</p> <p>CREATED 08/04/2019 06:46:49</p> <p>LIKELIHOOD Almost Certain</p> <p>SEVERITY Major</p> <p>CONTROL EFFECTIVENESS Strong</p>	<p>TREATMENT MC00007</p> <p><b>Manage Inductions - Conduct New Employee Induction</b></p> <p>All new employees are provided with adequate inductions</p>	<p><b>CHANGE(S) PENDING</b></p> <p>SIGNOFF(S): Janice Byers</p> <p>DUE DATE: 14 Apr 2023</p> <p>FREQUENCY: Fri every week</p>
		<p>TREATMENT MC00009</p> <p>Monthly random internal audit of five (5) purchases to be performed to ensure compliance with purchasing requirements.</p>	<p>SIGNOFF(S): Alysha McCall</p> <p>DUE DATE: 14 May 2023</p> <p>FREQUENCY: 14th day of every month</p>
		<p>TREATMENT MC00058</p> <p>Organisational Compliance Calendar in place and reviewed by Executive Management Group</p>	<p>SIGNOFF(S): Alysha McCall</p> <p>DUE DATE: 01 Mar 2024</p> <p>FREQUENCY: The first Day of every 12 months</p>
		<p>TREATMENT MC00059</p> <p>Induction &amp; Training provided to elected members</p>	<p>SIGNOFF(S): Alysha McCall</p> <p>DUE DATE: 30 Nov 2023</p> <p>FREQUENCY: The last Day of every 24 months</p>
		<p>TREATMENT MC00060</p> <p>Complete Annual Compliance Return (Dept Local Government)</p>	<p>SIGNOFF(S): Alysha McCall</p> <p>DUE DATE: 29 Feb 2024</p> <p>FREQUENCY: The last Day of every 12 months</p>

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 Jason Whiteaker  
 CREATED 01/07/2019 06:46:30

LIKELIHOOD Likely  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00041

Undertake OHS Audit

SIGNOFF(S): Janice Byers  
 DUE DATE: 01 Sep 2023  
 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 May 2023  
 FREQUENCY: The last Day of every 4 months

TREATMENT MC00043

OHS Committee Meeting Regularly

**OVERDUE**  
 SIGNOFF(S): Janice Byers  
 DUE DATE: 31 Mar 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): Chadd Hunt  
 DUE DATE: 30 Apr 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): Jason Whiteaker  
 DUE DATE: 31 Mar 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 2023  
 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  
 Chadd Hunt  
 Jo Metcalf  
 DUE DATE: 30 Apr 2023  
 FREQUENCY: The last Day of every month

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 Jason Whiteaker  
 CREATED 02/07/2019 05:56:01

LIKELIHOOD Likely  
 SEVERITY Medium  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00002  
 Audit of monthly compliance calendar

SIGNOFF(S): Alysha McCall  
 DUE DATE: 14 May 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: 14 Apr 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): Alysha McCall  
 DUE DATE: 14 May 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 2023  
 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): Alysha McCall  
 DUE DATE: 01 Dec 2023  
 FREQUENCY: The first Day of every 12 months

<b>RESIDUAL</b> <b>3.6</b> LOW	CHIEF EXECUTIVES OFFICE, COMPLIANCE - LEGISLATIVE, REPUTATION - COMMUNITY, REPUTATION - INDUSTRY <b>Misconduct/Fraud</b> 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 Jason Whiteaker CREATED 02/07/2019 06:09:25  LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00007 Manage Inductions - Conduct New Employee Induction All new employees are provided with adequate inductions  TREATMENT MC00059 Induction & Training provided to elected members  TREATMENT MC00087 Manage Procurement - Identify need for procurement Process minimises opportunity for misconduct  TREATMENT MC00102 Fraud Control Plan in place (refer OAG 2019/20 Report 5 - Fraud Prevention)	<b>CHANGE(S) PENDING</b> SIGNOFF(S): Janice Byers DUE DATE: 14 Apr 2023 FREQUENCY: Fri every week  SIGNOFF(S): Alysha McCall DUE DATE: 30 Nov 2023 FREQUENCY: The last Day of every 24 months  SIGNOFF(S): Colin Young Kristy Hopkins DUE DATE: 01 Oct 2023 FREQUENCY: The first Day of every 12 months  SIGNOFF(S): Alysha McCall DUE DATE: 28 Feb 2025 FREQUENCY: The last Day of every 24 months
	R00035		
<b>RESIDUAL</b> <b>3.6</b> LOW	GENERAL, REPUTATION - COMMUNITY <b>Providing inaccurate advice / information to stakeholders</b> 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; • 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 Jason Whiteaker CREATED 02/07/2019 05:27:54  LIKELIHOOD Likely SEVERITY Medium CONTROL EFFECTIVENESS Strong	TREATMENT MC00007 Manage Inductions - Conduct New Employee Induction All new employees are provided with adequate inductions  TREATMENT MC00013 Manage Customer Requests - Receive Request Ensuring that the organisation captures and responds appropriately to community and internal requests for works or services  TREATMENT MC00051 Manage Staff Training - Identify Training Needs Ensure staff training needs are identified and met	<b>CHANGE(S) PENDING</b> SIGNOFF(S): Janice Byers DUE DATE: 14 Apr 2023 FREQUENCY: Fri every week  <b>CHANGE(S) PENDING</b> SIGNOFF(S): Jason Whiteaker Alysha McCall DUE DATE: FREQUENCY: Once  <b>CHANGE(S) PENDING</b> SIGNOFF(S): Janice Byers DUE DATE: 31 Oct 2023 FREQUENCY: The last Day of every 12 months
	R00031		

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 Jason Whiteaker  
 CREATED 06/05/2019 05:23:01

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: 14 Apr 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 Jul 2023  
 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 2023  
 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): Jason Whiteaker  
 Jacky Jurmann  
 Jo Metcalf  
 Colin Young  
 Chadd Hunt  
 DUE DATE: 01 Jul 2023  
 FREQUENCY: The first Day of every 3 months

## 6.4 RISK REGISTER REVIEW - ENVIRONMENT

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Jenny Abbott (Environment Sustainability Officer), Jacky Jurmann (Acting Executive Manager Development Services), Chadd Hunt (Acting Executive Manager Engineering Services), Kayla Burges (Waste Management Officer)
<b>Responsible Officer:</b>	Jason Whiteaker (Chief Executive Officer)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

### ATTACHMENTS

1. Risk Register - Environment [6.4.1 - 4 pages]

### A. BACKGROUND / DETAILS

The Shire of Northam has an organisational wide risk register which has been developed over a period. Council has been advised previously that the management of risk is an area which has been underdeveloped within the Shire of Northam and an area which was receiving a focus to ensure the Elected Council was aware of the identified risks and treatments strategies in place.

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

The Shire of Northam Risk Register is categorised into the following section, the intent is to review one section at each meeting (red indicates review completed, bold is review in this agenda item);

1. Compliance – Review Completed
  - a. Legislation
  - b. Policy
2. Environmental
  - a. Built
  - b. Natural
3. Financial



- a. Operating
- b. Strategic
- 4. Health & Safety
  - a. General
  - b. Occupational
  - c. Community
- 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 deliver plans with appropriate budgets and time allocations to ensure achievable

**B.3 Legislative Compliance**

AS/NZS ISO 31000:2009

**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			

Health & Safety			
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			
Compliance			
Property			
Environment			

**B.7 Natural Environment Considerations**

Subject of the report

**C. OFFICER'S COMMENT**

The following outlines the environmental risk area, the identified risks within the compliance risk sub areas of legislation and policy and the mitigation actions currently in place. More details in relation to each component are provided in appendix 1. It is worth noting that some of the sub risk areas may not appear to be in the most appropriate risk area, however under our current system mitigation actions can be assigned to multiple compliance risk areas. For example the sub risk area 'Inadequate project management – b, ii – is assigned to the risk areas of Compliance – Policy, Financial - Operational and Health & Safety – Occupational

**Environmental**

a. Natural

- i. Shire of Northam activities result in increasing carbon emissions.
  - 1. Manage Procurement - Identify type of procurement activity to be undertaken. Action plan to be considered in all procurement.
- ii. Inadequate environmental management
  - 1. Up to Date and endorsed Strategic Waster Management Plan
  - 2. Have climate change policy in place.

The natural environment area has been reviewed with significant recommended adjustments. These adjustments have been recommended to better reflect what staff view as being the higher organisational risk areas and appropriate mitigation actions to manage these risks.

b. Built

- i. Inadequate Asset Management Practices
  - 1. Up to date and accurate transport management plan in place

2. Up to date and accurate building asset management plan in place
3. Up to date and accurate parks & reserves asset management plan in place
4. Long Term Financial Plan aligned to asset management plans
- ii. Inadequate Project Management
  1. Project management framework in place, providing parameters for staff to operate within
  2. Prepare Elected Members Monthly Report - Publish Monthly Report. Major Project status reporting to Council (through monthly elected member report)
  3. Internal audit of project and major project (as defined by corporate business plan) management framework compliance.
  4. Manage Major Projects - Project Performance and Control. Provides process for managing projects
- iii. Lack of capital project evaluation procedure
  1. Project evaluation procedure in place and utilised
- iv. Condition of buildings is unknown
  1. Up to date and accurate building asset management plan in place
  2. Revaluations of Council Building Assets (Fair Value)
  3. Develop and maintain medium term building maintenance program to ensure future costs are understood
- v. Asset Inventories inaccurate
  1. Up to date and accurate transport management plan in place
  2. Up to date and accurate building asset management plan in place
  3. Up to date and accurate parks & reserves asset management plan in place
- vi. Inaccurate Asset Valuations
  1. Revaluations of Council Building Assets (Fair Value)
  2. Revaluations of Council Transport Infrastructure Assets (Fair Value)
  3. Revaluation of Council Plant & Equipment

## **RECOMMENDATION**

### **That Council:**

1. **Confirms the 'Natural Environment' risk register as presented with the following amendments.**
  - a. **Adjust 'Shire of Northam activities result in increasing carbon emissions' by**
    - i. **Decreasing residual risk rating from 20 (Extreme) to 6 (Moderate)**
    - ii. **Remove treatment 'Manage Procurement'**
    - iii. **Add treatment "Develop & implement a climate mitigation and adaptation plan" (June 2023, to review annually)**
  - b. **Add risk – "Contaminated property being used inappropriately", inherent risk 9 (Moderate), residual risk 6 (Moderate)**





## Risk Register

Filter: Classification(s): Environmental - Natural, Environmental - Built

<p>RESIDUAL <b>20.0</b> EXTREME</p> <p>INHERENT <b>20.0</b></p>	<p>DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL</p> <p><b>Shire of Northam activities result in increasing carbon emissions</b> Council activities do not meet State &amp; Federal emissions reduction targets.</p> <p>OWNER Jennifer Abbott CREATED 20/02/2023 04:08:24</p> <p>LIKELIHOOD Almost Certain SEVERITY Major CONTROL EFFECTIVENESS Deficiencies</p>	<p>TREATMENT MC00123</p> <p>Manage Procurement - Identify type of procurement activity to be undertaken Action plan to be considered in all procurement.</p>	<p>SIGNOFF(S): Jason Whiteaker Jo Metcalf Colin Young Chadd Hunt Chadd Hunt Paul Devcic</p> <p>DUE DATE: 05 Feb 2024</p> <p>FREQUENCY: The first Monday of every 12 months</p>
<p>RESIDUAL <b>7.2</b> MODERATE</p> <p>INHERENT <b>9.0</b></p>	<p>DEVELOPMENT SERVICES, ENVIRONMENTAL - NATURAL</p> <p><b>Inadequate environmental management</b> nadequate prevention, identification, enforcement and management of environmental issues. The scope includes;</p> <ul style="list-style-type: none"> <li>Contaminated sites. / Coastal issues</li> <li>Waste facilities (landfill / transfer stations). / Groundwater</li> <li>Weed control. / Water Quality</li> <li>Illegal dumping.</li> <li>Illegal clearing / land use.</li> </ul> <p>OWNER Gordon Tester CREATED 01/07/2019 06:28:54</p> <p>LIKELIHOOD Possible SEVERITY Medium CONTROL EFFECTIVENESS Adequate</p>	<p>TREATMENT MC00081</p> <p>Up to Date and endorsed Strategic Waster Management Plan</p> <p>TREATMENT MC00082</p> <p>Have climate change policy in place</p>	<p>SIGNOFF(S): Gordon Tester Jacky Jurmann</p> <p>DUE DATE: 31 Aug 2023</p> <p>FREQUENCY: The last Day of every 12 months</p> <p>SIGNOFF(S): Jennifer Abbott Jacky Jurmann</p> <p>DUE DATE: 01 Mar 2024</p> <p>FREQUENCY: The first Day of every 24 months</p>

<b>RESIDUAL</b> <b>4.8</b> MODERATE	AMP - TRANSPORT, ENVIRONMENTAL - BUILT <b>Lack of capital project evaluation procedure</b> Shire does not have a capital project evaluation procedure aligned to the Community Strategic Plan	TREATMENT MC00089 Project evaluation procedure in place and utilised	SIGNOFF(S): Chadd Hunt DUE DATE: 01 Apr 2024 FREQUENCY: The first Day of every 24 months
	<b>INHERENT</b> <b>16.0</b> R00039	OWNER Jason Whiteaker CREATED 15/07/2019 08:54:13 LIKELIHOOD Likely SEVERITY Major CONTROL EFFECTIVENESS Strong	

<b>RESIDUAL</b> <b>4.8</b> MODERATE	CORPORATE SERVICES, ENGINEERING SERVICES, ENVIRONMENTAL - BUILT, FINANCIAL - STRATEGIC, SERVICE INTERRUPTION <b>Inadequate Asset Management Practices</b> 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;	TREATMENT MC00018 Up to date and accurate transport management plan in place	SIGNOFF(S): Chadd Hunt Colin Young DUE DATE: 01 Feb 2025 FREQUENCY: The first Day of every 24 months
	<b>INHERENT</b> <b>16.0</b> R00013	<ul style="list-style-type: none"> <li>• Inadequate design (not fit for purpose).</li> <li>• Ineffective usage (down time)</li> <li>• Outputs not meeting expectations</li> <li>• Inadequate maintenance activities.</li> <li>• Inadequate or unsafe modifications.</li> </ul> It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.	TREATMENT MC00019 Up to date and accurate building asset management plan in place
		OWNER Jason Whiteaker CREATED 24/05/2019 06:29:02 LIKELIHOOD Likely SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00020 Up to date and accurate parks & reserves asset management plan in place
		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  
**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 Shane Moorhead  
 CREATED 16/07/2019 03:26:43  
 LIKELIHOOD Possible  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00019

Up to date and accurate building asset management plan in place

SIGNOFF(S): Chadd Hunt  
 Colin Young  
 DUE DATE: 01 Jun 2023  
 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 2023  
 FREQUENCY: The first Day of every 12 months

RESIDUAL  
**3.6**  
 LOW

INHERENT  
**12.0**

R00037

AMP - TRANSPORT, ENVIRONMENTAL - BUILT

**Asset Inventories inaccurate**  
 Asset inventories are not up to date and therefore inaccurate resulting in poor decision making

OWNER Michael Newton  
 CREATED 15/07/2019 08:40:29  
 LIKELIHOOD Likely  
 SEVERITY Medium  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00018

Up to date and accurate transport management plan in place

SIGNOFF(S): Chadd Hunt  
 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): Chadd Hunt  
 Colin Young  
 DUE DATE: 01 Jun 2023  
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00020

Up to date and accurate parks & reserves asset management plan in place

SIGNOFF(S): Chadd Hunt  
 Colin Young  
 DUE DATE: 01 Sep 2023  
 FREQUENCY: The first Day of every 24 months

RESIDUAL  
**3.6**  
 LOW

INHERENT  
**12.0**

R00038

AMP - TRANSPORT, ENVIRONMENTAL - BUILT

**Inaccurate Asset Valuations**  
 Valuations are carried out, however inaccurate resulting in impact on Council decision making and financial ratios

OWNER Colin Young  
 CREATED 15/07/2019 08:47:14

LIKELIHOOD Possible  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

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 2023  
 FREQUENCY: The last Day of every 60 months

TREATMENT MC00092  
 Revaluation of Council Plant & Equipment

SIGNOFF(S): Colin Young  
 DUE DATE: 01 Oct 2025  
 FREQUENCY: The first Day of every 60 months



## **6.5 PROGRESS TOWARDS THE REGULATION 17 REVIEW**

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

### **BRIEF**

To provide Council with an update of the progress made towards the Regulation 17 Review Action Plan that was presented to Council at the 21 December 2022 Ordinary Council Meeting for adoption.

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

### **ATTACHMENTS**

1. Regulation 17 Action Plan Tracker [**6.5.1** - 2 pages]

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

Section 17 of the Local Government (Audit) Regulations 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 Chief Executive Officer carried out the review internally, the attached report is supplied to Council with the findings and recommendations.

A report has then 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 Act 1995 and relevant subsidiary legislation.

**B.4 Policy Implications**

Nil.

**B.5 Stakeholder Engagement / Consultation**

Nil.

**B.6 Risk Implications**

Refer to Risk Matrix [here](#).

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

**B.7 Natural Environment Considerations**

N/A

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

This 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. Areas for improvement and recommendations have been detailed in Attachment 1 with comments in respect to the progress made towards each of these.

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 for Review has been provided in Attachment 1 with an update of the progress made towards the recommendations.

Key to table:

**Completed**

**No Action**

**Underway**

#### **RECOMMENDATION**

**That Council receive the update as provided in Attachment 1 in relation to the progress made towards the Regulation 17 Action Plan.**



## 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	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	Alysha McCall	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.	Underway
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.	Alysha McCall, 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.	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	No progress.	No Action
7	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Develop internal audit framework to include audits on identified risks in the Fraud and Corruption Control Plan.	Alysha McCall	No progress.	No Action
8	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Implement an annual review and sign off for the Code of Conduct for Employees, Volunteers, Contractors and Agency Staff.	Janice Byers		No Action
9	1. Risk Management	1.3 Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;	Provide staff with specific training on fraud controls and conducting investigations.	Janice Byers		No Action
10	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;	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.	No Action
11	1. Risk Management	1.5 Assessing 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	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.	Underway

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
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.	Alysha McCall, Janice Byers	Developing a suite of weekly 'Did you know' alerts to staff in addition with training videos for registering documents.	Underway
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.	Alysha McCall	Requested Building & Project Supervisor to move cabinet to area cleared in Records.	Underway
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
15	3. Legislative Compliance	3.1Reviewing 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.	Alysha McCall	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.	Underway
16	3. Legislative Compliance	3.2How 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	3.3Reviewing 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	Colin Young	No Progress	No Action
18	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the Manage Complaints Process incorporating the following: a) Translating services being provided where appropriate. b) Special arrangements that may be required for responding to particular client groups. c) Reference to the public interest disclosure and misconduct processes. d) Declaring interests. e) The Ombudsman's Conducting Investigations Guidelines. f) The Ombudsman's Procedural Fairness Guidelines. g) A review process in which the Complaint Handling Officer's decision is reviewed by a suitably experienced colleague/superior before the complaint is finalised. h) An independent internal review process. i) Consideration towards establishing a designated Complaint Handling Officer. j) A system for analysing complaint information to enable continuous improvement.	Alysha McCall	01/02/2023 - Limited. 12/04/2023 - Review underway. Agenda item to be prepared to Council to appoint a complaints committee to deal with complaints for code of conduct breaches.	Underway
19	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the information available on the Shire of Northam website incorporating the following: a) Providing clear information that complaints are handled at no charge. b) Providing the information in the form of other languages and incorporating a "Listen" option.	Alysha McCall, Colin Young	01/02/2023 - Requested quote for 'Listen' feature 12/04/2023 - Feature implemented.	Completed
20	3. Legislative Compliance	3.3Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Include the effectiveness of the complaint handling system within the internal audit framework.	Alysha McCall, Colin Young		No Action

## 6.6 PROGRESS TOWARDS THE FINANCIAL MANAGEMENT REVIEW

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Tamika Van Beek (Governance Officer)
<b>Responsible Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Officer Declaration of Interest:</b>	Nil.
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

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 [6.6.1 - 3 pages]

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### 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 have a review of its financial system to ensure its appropriateness and effectiveness at least once every three years.

This report is to provide Council with 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](#).

<b>Risk Category</b>	<b>Description</b>	<b>Rating (likelihood x consequence)</b>	<b>Mitigation Action</b>
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 by Council. 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.

Key to table:

**Completed**

**No Action**

**Underway**

**RECOMMENDATION**

**That Council receive the update as provided in Attachment 1 in relation to the progress made towards the Financial Management Systems Review Action Plan.**



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 Pending Council Approval. Policy being workshopped on 23/02/23  13/04/2023 Policy to be presented to Council for adoption at OMC held on the 19/04/2023	Underway
4	Investment Policy - The Shire's investment policy F4.3 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. Investment policy to be reviewed and workshopped on 23/02/23  13/04/23 Policy to be presented to Council for adoption at OMC held on the 19/04/23	Underway
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, pending Council adoption. Policy updates to be workshopped 23/02/23.  13/04/23, will be presented to Council on the 19/04/23 for adoption.	Underway
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

Number	Finding	Recommendation / Solution	Expected Completion	Responsibility	Progress To Date	Status
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
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	Difficult to implement with the current ERP. To be resolved once we migrate to Altus	No Action
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.	TBA	Corporate Services / Finance	We hope the move to Altus will resolve this as efforts to get this resolved by IT vision with synergy have been fruitless.	No Action
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.	Underway
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	No Action

## **6.7 PROGRESS TOWARDS THE ICT STRATEGY PLAN**

<b>File Reference:</b>	1.1.9.1
<b>Reporting Officer:</b>	Tamika Van Beek (Governance Officer)
<b>Responsible Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Officer Declaration of Interest:</b>	Nil.
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### **BRIEF**

To provide 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 occurs within the organisation.

### **ATTACHMENTS**

1. ICT Strategic Plan Action Plan [**6.7.1** - 2 pages]

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### **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 of Northam has undertaken to put in place a number of Strategic and Business Plans to deliver short-, medium and long-term objectives. The Shire of Northam is providing committed strategic planning and leadership, focused on strengthening our community, providing growth, and diversifying the local economy.

### **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](#).

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

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

**B.7 Natural Environment Considerations**

Nil.

**C. OFFICER'S COMMENT**

ICT services are presently provided to approximately 130 full time, part time, and casual employees across the following sites, Administration, Northam depot, Wundowie Depot, Northam library, Wundowie library, 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**

**That Council receive the update as provided in Attachment 1 in relation to the progress made towards the ICT Strategic Plan.**

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
1	Governance	ICT decisions and operations within the Shire will be controlled and guided through a formalised ICT Governance framework. This framework will ensure the alignment of ICT activities with business priorities.	2021 / 2026	Corporate Services / ICT	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.	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.	2021 / 2026	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.	Underway
5	Disaster Recovery	ICT needs to work with the organisation to establish mission critical services and ensure that disaster recovery and business continuity plans meet current and emerging needs	2021 / 2026	Corporate Services / ICT	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>	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>	No Action



**7 URGENT BUSINESS APPROVED BY DECISION**

Nil.

**8 DATE OF NEXT MEETING**

Upcoming meetings:

- 24 August 2023 at 5:00pm
- 23 November 2023 at 5:00pm

**9 DECLARATION OF CLOSURE**