



Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Agenda**

### **Audit & Risk Management**

### **Committee Meeting**

**23 February 2023**



**NOTICE PAPER**

**Audit & Risk Management Committee Meeting**

**23 February 2023**

Committee Members

I inform you that an Audit & Risk Management Committee meeting will be held in the Council Chambers, located at 395 Fitzgerald Street, Northam on 23 February 2023 at 5:00 pm.

Yours faithfully



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

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

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## 1. DECLARATION OF OPENING

## 2. ACKNOWLEDGEMENT TO 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

### Committee:

Shire President

Deputy President

Councillors

Cr C R Antonio

Cr M P Ryan

Cr A J Mencshelyi

Cr H J Appleton

### Staff:

Chief Executive Officer

Executive Manager Corporate Services

Acting Governance Coordinator

Acting Governance Officer

J B Whiteaker

C J Young

A C McCall

T P Van Beek

### 3.1 APOLOGIES

Nil.

### 3.2 APPROVED LEAVE OF ABSENCE

Nil.

### 3.3 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 COMMITTEE MEETING HELD ON 16 DECEMBER 2022

#### RECOMMENDATION

That the minutes of the Audit & Risk Management Committee meeting held on 16 December 2022 be confirmed as a true and correct record of that meeting.

## 6. COMMITTEE REPORTS

### 6.1 MONTHLY COMPLIANCE REPORT

<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Alysha McCall, Acting 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

Attachment 1: Compliance Calendar and Creditors Checklist

#### 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

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

### B.7 Natural Environment Considerations

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*



**2022/23 Compliance Calendar**

<b>Month</b>	<b>Item</b>	<b>% Compliance</b>	<b>Non-Compliance</b>
December	Internal Compliance Audit	97%	One (1) non-compliance relating to the Delegated Authority Register not being updated for a multiple cat application.
	Random Creditor Check	90%	EFT for Pavement Management Services is non-compliant due to only 1 quote being obtained with no justification attached to the purchase order. 3 quotes are required when purchases of this value are made.
January	Internal Compliance Audit	94%	Non-compliances relate to: RFT 01 of 2023 - Cemetery Grave Digging lists a closing date of 8 March in Vendor Panel however the register lists this as 8 February 2023. No extension of time has been recorded. BCITF levy not being paid by the required date. BSL not being paid by the required date. Information being provided to the Valuer General by the due date.
	Random Creditor Check	100%	Nil.

**RECOMMENDATION**

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

**December 2022 – Creditor Check**

EFT #	Creditor	Invoice Amount	Invoice Date	Order #	Order Amount	Purchase Order Written	Signing Officer Name	Purchasing Procedure Checklist attached and completed correctly	Date of order prior to date of invoice
EFT45785	MORRIS PEST & WEED CONTROL	\$ 3,615.70	16/11/2022	68473	\$ 3,615.70	10/10/2022	J JURMANN	YES	YES
EFT45812	VENDOR PANEL	\$ 6,836.02	17/11/2022	68442	\$ 6,836.02	6/10/2022	K HOPKINS	YES	YES
EFT45819	AVON WASTE	\$ 4,092.00	21/11/2022	68665	\$ 4,092.00	21/10/2022	J JURMANN	YES	YES
EFT45834	KENNARDS HIRE PTY LTD	\$ 2,550.00	28/11/2022	68949	\$ 5,610.00	10/11/2022	S LEOTTA	YES	YES
EFT45883	BLACKWELL PLUMBING & GAS PTY LTD	\$ 2,398.00	7/12/2022	68925	\$ 2,398.00	9/11/2022	D EMERY	YES	YES
EFT45887	BUNNINGS BUILDING SUPPLIES P/L	\$ 2,062.14	22/11/2022	69013	\$ 2,062.14	16/11/2022	I KEILY	YES	YES
EFT45895	COMBINED TYRES PTY LTD	\$ 1,540.00	31/08/2022	67697	\$ 1,540.00	15/08/2022	K HOPKINS	YES	YES
EFT45901	DCM CARPENTRY & MAINTENANCE	\$ 3,135.00	11/12/2022	69236	\$ 3,135.00	2/12/2022	D EMERY	YES	YES
EFT45911	G.S. BEVERIDGE & L.P.NOTTLE	\$ 7,831.00	1/12/2022	66812	\$ 7,831.00	15/06/2022	K HOPKINS	YES	YES
EFT45939	PAVEMENT MANAGEMENT SERVICES PTY LTD	\$ 85,898.59	29/04/2022	63268	\$ 85,898.59	25/08/2021	C KLEYNHANS	NO	YES

**January 2023 – Creditor Check**

EFT #	Creditor	Invoice Amount	Invoice Date	Order #	Order Amount	Purchase Order Written	Signing Officer Name	Purchasing Procedure Checklist attached and completed correctly	Date of order prior to date of invoice
EFT46054	ADVANCED TRAFFIC MANAGEMENT (WA) PTY LTD	\$2,853.13	23/12/2022	69482	\$2,853.13	23/12/2022	S LEOTTA	YES	YES
EFT46065	CCD-ALLIANCE	\$30,204.90	16/08/2022	65156	\$33,561.00	20/01/2022	C YOUNG	YES	YES
EFT46074	DRACO AIR PTY LTD	\$242.00	19/12/2022	69438	\$242.00	16/12/2022	S MOORHEAD	YES	YES
EFT46100	POOLSHOP ONLINE PTY LTD	\$1,715.00	12/12/2022	69048	\$1,715.00	17/11/2022	D JUPP	YES	YES
EFT46115	WCP CIVIL PTY LTD	\$209,029.18	30/11/2022	65826	\$601,400.27	15/03/2022	J WHITEAKER	YES	YES
EFT46137	AVON WASTE	\$40,567.16	16/12/2022	67063	\$990,390.18	1/07/2022	J WHITEAKER	YES	YES
EFT46156	FRONTLINE FIRE & RESCUE EQUIPMENT	\$10,309.20	25/11/2022	69317	\$10,309.20	8/12/2022	J JURMANN	YES	YES
EFT46226	PIZZA JOE'S WOODFIRED PIZZA	\$2,100.00	13/01/2023	69595	\$2,100.00	10/01/2023	I KIELY	YES	YES
EFT46263	DCM CARPENTRY & MAINTENANCE	\$110.00	8/01/2023	69478	\$110.00	22/12/2022	C JUPP	YES	YES
EFT46297	SOUTHERN CROSS AUSTEREO PTY LTD	\$55.00	31/12/2022	68198	\$16,077.60	16/09/2022	V WILLIAMS	YES	YES

### December 2022 – Compliance Calendar

SOURCE	Section	PROCESS OWNER	ACTIVITY DESCRIPTION	COMPLIANCE ACCOUNTABILITY	SCHEDULE	COMMENTS
Local Government Act 1995	S3.59 - Commercial Enterprises	CEO	Have SoN entered into any major trading undertakings, if so has section 3.59 been complied with		Monthly	No.
Local Government Act 1995	S5.16	CEO	Is the delegations register current (ie not more than 12 months old)		Annually -June	Yes.
Local Government Act 1995	S5.67	CEO	Where an elected member disclosed a financial interest, did they leave the meeting and not participate in discussion or decision making on the item		Monthly	Yes. Cr Tinetti declared an interest and left the meeting.
Local Government Act 1995	S5.65 & s5.73	CEO	Were all known elected member and staff disclosures of impartiality made at the Council meeting		Monthly	Yes.
Local Government Act 1995	S5.73 & S103	CEO	Were ALL disclosures recorded in the minutes		Monthly	Yes.
Local Government Act 1995	S5.75	CEO	Have primary returns been lodged within 3 months of elected member 'start		Annually - January	Not applicable.
Local Government Act 1995	S5.76	CEO	Have all new 'designated' employees completed their primary returns within 3 months of commencement		Monthly	Francesca Lefante due by 12 January 2023. Alex Espey return is due on 8 February 2023. Received Sean Cope's return.
Local Government Act 1995	S5.88	CEO	Is the register of financial interests up to date		Monthly	Yes.
Local Government Act 1995	S5.89	CEO	Have all resigned members and staff returns been removed from the financial interest register		Monthly	Yes. Cr Paul Curtis removed.
Local Government Act 1995	S103	CEO	Is the gift register up to date and on the Council website		Monthly	Yes. Nil declared.
Local Government Act 1995	S3.58 - Disposal of Property	CEO	Did the Council dispose of any property in the month, and if so was s3.58 complied with		Monthly	Yes. Portion of Lot 200 Minson Ave & Portion of Lot 202 Fitzgerald St.
Local Government Act 1995	S5.121 - Minor Breach	EMCS	Has the complaints officer maintained the complaints of a minor breach register and is the online register up to date		Monthly	Yes. No complaints received.
Local Government Act 1995	S3.57 & F/G Reg 11	EMCS	Have tenders been called for all good or services in excess of \$250k		Monthly	Yes.
Local Government Act 1995	S3.57 & F/G Reg 14	EMCS	Was state wide public notice given for all tenders		Monthly	Not applicable.
Local Government Act 1995	F/G Reg 16	EMCS	Receiving and opening Tenders completed by two persons, details of tenders to be immediately recorded		Monthly	Yes. Tender 05/2022 opened.
Local Government Act 1995	F/G Reg 18	EMCS	Rejecting and accepting Tenders		Monthly	Nil accepted / rejected.
Local Government Act 1995	F/G Reg 18 (1)	EMCS	Tender to be submitted before close of Tender and submitted to the Shire office		Monthly	Yes.
Local Government Act 1995	F/G Reg 18 (4)	EMCS	Written evaluation of each Tenderer's criteria		Monthly	Yes.
Local Government Act 1995	F/G Reg 17	EMCS	Tender Register to be maintained and available for inspection		Monthly	Yes.
Local Government Act 1995	F/G Reg 19	EMCS	Tenderers to be notified of outcome		Monthly	Not applicable.
Local Government Act 1995	F/G Reg 24AD (2)	EMCS	Statewide Public Notice of the invitation to apply to join a pre-qualified panel		Monthly	Not applicable.
Local Government Act 1995	F/G Reg 24AD (4)	EMCS	Notice to include brief description of goods and services to be supplied by pre-qualified panel		Monthly	Not applicable.
Local Government Act 1995		EMCS	Annual report accepted		31-Dec	Yes.
Local Government Act 1995		Governance	Review meeting attendance		Monthly	Yes.
Local Government Act 1995	s.5.103, s.5.104 Admin.Reg. Part 9 Rules of Conduct Regs.	Governance	<b>Policy Review- Code of Conduct</b> - provide Council report to enable the new council to review and adopt the Code of Conduct		Bi Annually	Review underway.

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	Delegation - B02	EMDS	Buildings - Grant or Refuse Demolition Permit - register completed?	Monthly	Yes. One (1) granted and added to the Delegated Authority Register.
	Delegation - E01	EMES	Temporary Closure of Thoroughfares to vehicles	Monthly	Yes. One (1) closure.
	Delegation - E04	EMES	Crossover Approvals	Monthly	Nil determined.
	Delegation - F02	EMCS	Disposal of Council property	Monthly	Nil.
	Delegation - F04	EMCS	Inviting Tenders	Monthly	Nil.
	Delegation - F05	CEO	Waving of fees	Monthly	Yes.
	Delegation - F06	CEO	Disposing of Property by Lease or Licence	Monthly	Yes. Four (4) disposals, refer to Delegated Authority Register.
	Delegation - R01	EMDS	Approval to keep more than one cat or dog	Monthly	Multiple cat applications not recorded on the registered.
		EMCS	Interim Audit	Annually	Carried out from the 25 April 2022 to 29 April 2022.
		EMCS	Accounts presented to Council	Monthly	Yes.
		EMCS	Financial Report to Council	Monthly	Yes.
Local Government Act 1995	FMR r. 51		Annual Report to DLGSC	by 30 Dec	Yes. Sent 16 December 2022.
Reporting	Building Services (Complaint Resolution and Administration) Regulations 2011	Building	Building Services Levy - Payment due by 14th day after the end of the month	Monthly	Yes.
Reporting	Building and Construction Industry Training Fund and Levy Collection Regulations 1991	Building	Building Construction Training Fund Levy - Payment due by 10th day after the end of the month	Monthly	Yes.
	<b>Completed by:</b> <b>Position:</b> <b>Date:</b> <b>Signed:</b>	Alysha McCall Acting Governance Coordinator 17/01/2023 			



### January 2023 – Compliance Calendar

Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	January	January 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	Yes	
<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	

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Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	January	January 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	Not applicable	
<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	Not applicable	
<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	

# Audit & Risk Management Committee Meeting Agenda

## 23 February 2023



Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	January	January Comments
<b>Other</b>	Was the below information provided to the Valuer General by the 14th day of each month: • building licenses issued • building license works completed • registered plans and amendments under the Strata Titles Act 1985	Valuation of Land Act 1978	s.37	Monthly	Development Services Support Officer	No	
<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	
<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	
<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	
<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	Yes	
<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	



# Audit & Risk Management Committee Meeting Agenda

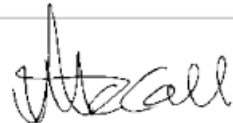
## 23 February 2023



Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	January	January Comments
<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	Not applicable	
<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	No	RFT 01 of 2023 - Cemetery Grave Digging lists a closing date of 8 March in Vendor Panel however the register lists this as 8 February 2023. No extension of time has been recorded.
<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	
<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	
<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	

Audit & Risk Management Committee Meeting Agenda  
**23 February 2023**



Compliance Area	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Responsible Officer Position Title	January	January Comments
<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>	59
						<b>Items Non-Compliant</b>	4
						<b>Percentage Compliant</b>	94%
						Auditor:	Alysha McCall
						Auditor Signature:	
						Date Completed:	17/02/2023

## 6.2 RISK REGISTER

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Alysha McCall, Acting 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

Attachment 1: Overdue/Non-compliant Risks.

### 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.

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

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
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 over due  
Currently have 136 risk mitigation/treatment strategies, of which **1 are overdue (which equates to 0.74%)**.

- MC00107 - Ensure asset management plan financial requirements are included in long term financial plan

Comment – Treatment was complete however was a delay in signing off the risk treatment.

At the Audit & Risk Management Committee Meeting held on 2 June 2022, the Chief Executive Officer advised that the entire register would also be provided to give the Council some context on the entire register, so any perceived gaps in the register could be identified. The committee also indicated that it would like to review the entire risk register, breaking it down in small sections at future Audit & Risk Committee meetings.

#### **RECOMMENDATION**

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

<b>RESIDUAL</b> <b>3.0</b> LOW <hr/> <b>INHERENT</b> <b>10.0</b> R00054	ENGINEERING SERVICES, SERVICE INTERRUPTION <b>PPOSAMP Service Levels Interruption</b> Identify and budget for assets reaching end of life there will likely be service interruptions with delayed replacement timeframes.	TREATMENT MC00106 Review Asset Management plan every two years.	SIGNOFF(S): Keith Boase DUE DATE: 01 Oct 2024 FREQUENCY: The first Day of every 24 months
	OWNER Keith Boase CREATED 02/12/2020 09:37:11 LIKELIHOOD Almost Certain SEVERITY Minor CONTROL EFFECTIVENESS Strong	TREATMENT MC00107 Ensure asset management plan financial requirements are included in long term financial plan	<b>OVERDUE</b> SIGNOFF(S): Keith Boase DUE DATE: 31 Jan 2023 FREQUENCY: The last Day of every 12 months
		TREATMENT MC00108 Ensure asset management plan financial requirements are included in annual budget	SIGNOFF(S): Keith Boase DUE DATE: 01 Jun 2023 FREQUENCY: The first Day of every 12 months

### 6.3 RISK REGISTER REVIEW

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Jason Whiteaker, Chief Executive 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

For the committee to review the Shire of Northam Risk Register.

#### ATTACHMENTS

Officers are endeavouring to have this presented as a separate item on Monday 20<sup>th</sup> February 2023



## 6.4 COMPLIANCE AUDIT RETURN

<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Alysha McCall, Acting 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 is to provide information to assist Council in the adoption of the 2022 Compliance Audit Return (CAR).

### ATTACHMENTS

Attachment 1: Compliance Audit Return 2022

### 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. The certified return should be submitted to the Director General, Department of Local Government and Regional Development by 31 March each year.

The Compliance Audit Return must be:

1. Presented to Council at a meeting of the Council;
2. Be adopted by the Council; and
3. Recorded in the minutes of the meeting at which it is adopted.

In relation to the year 2022 a copy of the return is to be submitted for Councillor's perusal, comment and adoption prior to 31 March 2023. It is necessary for the Shire President and the Chief Executive Officer to sign off the return as a certified copy.

The 2022 Compliance Audit Return has been completed in house, with the CEO and senior staff reviewing and approving the completed return. The compliance review process provides both the CEO and the Council with an additional element of accountability through a check on internal management systems, procedures and record keeping and this demonstrates the Shire's emphasis on improving its good governance, compliance, and best practice.



## 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

Nil.

### B.3 Legislative Compliance

*Local Government Act 1995;*

*Local Government (Functions and General) Regulations 1996;*

*Local Government (Administration) Regulations 1996;*

*Local Government (Elections) Regulations 1997;*

*Local Government (Audit) Regulations 1996;*

*Local Government (Rules of Conduct) Regulations 2007.*

### B.4 Policy Implications

Nil.

### B.5 Stakeholder Engagement / Consultation

All senior staff were asked to review the document and make any comments.

### B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Nil		
Health & Safety	Nil		
Reputation	Any non-compliance could impact staff and members of the community and may give them a poor reflection of dealing with Council.	Unlikely (2) x Minor (2) = Low (4)	Put processes in place to mitigate non-compliance
Service Interruption	Nil		

Compliance	Non-compliance with the Local Government Act 1995 and subsidiary legislation.	Low (3) x Medium (3) = Moderate (9)	Adopt the Compliance Audit Return by 31 March.  Undertake a monthly internal audit.
Property	Nil		
Environment	Nil		

### B.7 Natural Environment Considerations

N/A.

### C. OFFICER'S COMMENT

Each year the Shire strives to improve the services it provides to stakeholders both internal and external. The 2022 CAR is a decrease from the previous year's compliance of 100%.

This year there were eleven (11) categories with a total of ninety four (94) questions.

TITLE	NUMBER OF QUESTIONS	PERCENTAGE
Commercial Enterprises	5	100%
Delegation of Power/Duty	13	100%
Disclosure of Interests	21	95%
Disposal of Property	2	50%
Elections	3	100%
Finance	7	100%
Integrated Planning & Reporting	3	100%
Local Government Employees	5	100%
Official Conduct	4	100%
Other	9	89%
Tenders for Goods & Services	22	100%

This year there has been 97% compliance in all categories. These non-compliances relate to:

- Ex-Councillor Paul Curtis did not complete his annual return by the required date.
- Two leases were entered into for the Pop Up Shop which did not meet the disposal requirements of the *Local Government Act 1995*. These agreements are now issued as licences to ensure compliance with the *Local Government Act 1995*.
- A local law for the Establishment, Maintenance and Equipment of Bush Fire Brigades which was Gazetted on 21 May 1982. Council approved

repealing this local law on 12 February 2004 however this was never published in the Gazette. This local law is not listed on the Shire of Northam website which has resulted in a non-compliance. Officers are currently liaising with the Department of Local Government, Sports and Cultural Industries in relation to the most appropriate action to finalise this repeal process.

**RECOMMENDATION**

**That Council adopt the attached 2022 Audit Compliance Report as required, prior to submission to the Department of Local Government, Sport and Cultural Industries.**

## Attachment 1 - Compliance Audit Return 2022

[Home \(/\)](#) / [Compliance Audit Return \(/CAR/\)](#) / [Compliance Audit Return Form](#)

# Compliance Audit Return Form

Start ✓	Details ✓	Commercial Enterprises ✓	Delegation ✓			
Disclosure of Interest ✓	Disposal of Property ✓	Elections ✓	Finance ✓	IPR ✓		
Employees ✓	Conduct ✓	Other ✓	Tenders ✓	Documents ✓	Review	Finalise

Print

## Details

Local Government	Year of Return	Status
Northam, Shire of	2022	Draft

### Created By

Alysha McCall

## Commercial Enterprises by Local Governments

1. Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? \*  Add comments

N/A

—

2. Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? \*  Add comments

N/A

—

3. Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? \*

Add comments

N/A

—

4. 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 for 2022? \*

Add comments

N/A

—

5. During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? \*

Add comments

N/A

—

## Delegation of Power/Duty

1. Were all delegations to committees resolved by absolute majority? \*

Add comments

Yes

Please enter comments \*

Resolved on 15/06/2022.

2. Were all delegations to committees in writing? \*

Add comments

Yes

Please enter comments \*

Terms of Reference

3. Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? \*

Add comments

Yes

—

4. Were all delegations to committees recorded in a register of delegations? \*

Add comments

Yes

—

5. Has council reviewed delegations to its committees in the 2021/2022 financial year? \*

Add comments

Yes

Please enter comments \*

15/06/2022

6. Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? \*

Add comments

Yes

—

7. Were all delegations to the CEO resolved by an absolute majority? \*

Add comments

Yes

—

8. Were all delegations to the CEO in writing? \*

Add comments

Yes

Please enter comments \*

Included in minutes and notified via Council's Motion Tracker.

9. Were all delegations by the CEO to any employee in writing? \*

Add comments

Yes



—

10. Were all decisions by the Council to amend or revoke a delegation made by absolute majority? \*

Add comments

Yes

—

11. Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? \*

Add comments

Yes

—

12. Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year? \*

Add comments

Yes

—

13. Did all persons exercising a delegated power or duty under the Local Government Act 1995 keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996 regulation 19? \*

Add comments

Yes

Please enter comments \*

Maintained within Register or Council's CRM.

## Disclosure of Interest

1. 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? \*

Add comments

Yes

—

2. Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? \*

Add comments

N/A

—

3. Were disclosures under 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? \*

Add comments

Yes

—

4. Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? \*

Add comments

Yes

—

5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? \*

Add comments

No

Please enter comments \*

Cr Curtis lodged on 01/09/2022.

6. On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? \*

Add comments

Yes

—





7. 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? \*

Add comments

Yes

—

8. 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? \*

Add comments

Yes

—

9. 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? \*

Add comments

Yes

—

10. 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? \*

Add comments

Yes

—

11. 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? \*

Add comments

Yes

—



12. Did the CEO publish an up-to-date version of the gift register on the local government's website? \*  Add comments

Yes

—

13. 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? \*  Add comments

N/A

—

14. 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? \*  Add comments

Yes

—

15. 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? \*  Add comments

Yes

—

16. Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(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? \*  Add comments

N/A

—



17. Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? \*

Add comments

N/A

—

18. Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? \*

Add comments

Yes

Please enter comments \*

21/04/2021

19. Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? \*

Add comments

N/A

—

20. Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? \*

Add comments

Yes

—

21. Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? \*

Add comments

Yes

—

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? \*

Yes



## Disposal of Property

1. 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)? \*

Add comments

No

Please enter comments \*

2 x leases were entered into for a 'pop up' shop between the Shire of Northam and a lessee. The nature of the leases are for a maximum of three months to conduct a 'trial small businesses'. Leases are no longer offered with licence to occupy now preferred which ensures compliance with s3.58.

2. 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), in the required local public notice for each disposal of property? \*

Add comments

Yes

—

## Elections

1. Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the Local Government (Elections) Regulations 1997? \*

Add comments

Yes

—

2. Did the CEO remove any disclosure of gifts forms relating to unsuccessful candidates, or successful candidates that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? \*

Add comments

N/A

—

3. Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? \*

Add comments

Yes

—

## Finance

1. Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? \*

Add comments

Yes

Please enter comments \*

18/10/2021

2. Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority? \*

Add comments

Yes

Please enter comments \*

15/06/2022

3. Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? \*

Add comments

Yes

Please enter comments \*

21/12/2022

4. Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? \*

Add comments

Yes

—

5. Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? \*

Add comments

N/A

—

6. Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? \*

Add comments

N/A

—

7. Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? \*

Add comments

Yes

Please enter comments \*

Finalised 15/12/2022, report granted on 16/12/2022.

## Integrated Planning and Reporting

1. Has the local government adopted by absolute majority a strategic community plan? \*

Add comments

Yes

Please provide the adoption date or the date of the most recent review \*

15/06/2022

—

2. Has the local government adopted by absolute majority a corporate business plan? \*

Add comments

Yes

Please provide the adoption date or the date of the most recent review \*

15/06/2022

—

3. Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? \*

Add comments

Yes

—

## Local Government Employees

1. Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? \*

Add comments

N/A

—

2. Was all information provided in applications for the position of CEO true and accurate? \*

Add comments

N/A

—

3. 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? \*

Add comments

N/A

—

4. Did the CEO inform council of each proposal to employ or dismiss senior employee? \*

Add comments

N/A

—

5. 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? \*

Add comments

N/A

—

## Official Conduct

1. Has the local government designated an employee to be its complaints officer? \*

Add comments

Yes

Please enter comments \*

17/03/2021

2. 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? \*

Add comments

Yes

—

3. Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? \*

Add comments

Yes

—

4. Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? \*

Add comments

Yes



---

## Other

---

1. Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022?

Add comments

Yes

Please provide the date of council's resolution to accept the report.  
\*

21/12/2022

---

2. Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022?

Add comments

Yes

Please provide the date of council's resolution to accept the report.  
\*

21/12/2022

---

3. 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?

Add comments

N/A

---

4. 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?

Add comments

Yes

Please enter comments \*

18/11/2020

5. 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?

Add comments

No

Please enter comments \*

Establishment, Maintenance and Equipment of Bush Fire Brigades - Gazetted 21/05/1982 was never repealed and not listed on the Shire of Northam website.

6. Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Add comments

Yes

Please enter comments \*

18/11/2020

7. Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?

Add comments

Yes

—

8. By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?

Add comments

Yes

—

9. When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?

Add comments

Yes

—



## Tenders for Providing Goods and Services

1. 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? \*

Add comments

Yes

—

2. 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? \*

Add comments

Yes

—

3. 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)? \*

Add comments

Yes

—

4. 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? \*

Add comments

N/A

—

5. 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? \*

Add comments

Yes

Please enter comments \*

Managed through Vendor Panel.

6. 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? \*

Add comments

Yes

—

7. 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? \*

Add comments

Yes

—

8. Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? \*

Add comments

Yes

—

9. 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? \*

Add comments

Yes

—

10. Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? \*

Add comments

Yes

—



11. 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? \*

Add comments

N/A

—

12. 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? \*

Add comments

N/A

—

13. 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? \*

Add comments

N/A

—

14. 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? \*

Add comments

N/A

—

15. 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? \*

Add comments

N/A

—



16. 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? \*

Add comments

N/A

—

17. 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? \*

Add comments

N/A

—

18. 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? \*

Add comments

N/A

—

19. 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? \*

Add comments

N/A

—

20. 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? \*

Add comments

N/A

—



21. Did the CEO send each applicant written notice advising them of the outcome of their application? \*  Add comments

N/A

—

22. Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F? \*  Add comments


Yes

—

## Documents


[7 days ago](#)  
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Alysha McCall

Code of conduct

 2021.04.21 CODE OF CONDUCT.pdf (1.41 MB)  
(/\_entity/annotation/39aae1b6-45a8-ed11-aad1-002248962727/976c0132-2a5b-ed11-9562-00224893390b?t=1676508394017)

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Auditor's Report

 2022.12.21 ANNUAL REPORT.pdf (24.06 MB)  
(/\_entity/annotation/70f33ff-45a8-ed11-aad1-002248962727/976c0132-2a5b-ed11-9562-00224893390b?t=1676508394017)

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Alysha McCall

Strategic & Corporate Plan

 2022.06.15 STRATEGIC & CORPORATE PLAN.pdf (3.48 MB)  
(/\_entity/annotation/24b4b50c-46a8-ed11-aad1-002248962727/976c0132-2a5b-ed11-9562-00224893390b?t=1676508394017)

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## 6.5 PROGRESS TOWARDS THE REGULATION 17 REVIEW

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Alysha McCall, Acting 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

Attachment 1: Regulation 17 Review Action Plan.

### 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 recommendation 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

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
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

Not applicable.

### 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 the Attachment 1 in relation to the progress made towards the Regulation 17 Action Plan.**

### Attachment 1 – Regulation 17 Review Action Plan

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	Proposed to be workshopped with Council on 22 February 2023.	Underway
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	No progress.	No Action
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	No Progress	No Action
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	No Progress.	No Action
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	No Progress	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
12	2. Internal Control	2.2 Control 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	No Progress	No Action
13	2. Internal Control	2.3 Limit 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	No Progress	No Action
14	2. Internal Control	2.8 Comparison of the result of physical cash and inventory counts with accounting records.	Develop process and procedure for offsite stock management.	Kristy Hopkins		No Action
15	3. Legislative Compliance	3.1 Reviewing the annual Compliance Audit Return and reporting to council the results of that review;	Have the Compliance Audit Return (CAR) undertaken independently once in every three years (next due for 2023 period)  CAR completed progressively on a monthly basis as part of internal audit process.	Alysha McCall	No progress able to be taken until second quarter of 2023/24.	No Action
16	3. Legislative Compliance	3.2 How management is monitoring the effectiveness of its compliance and making recommendations for change as necessary;	Report non-compliances identified through internal audits to the Executive Management monthly meeting.	Alysha McCall, Tamika Van Beek	Executive Managers Meeting Agenda template (V8) has been updated and uploaded in to Promapps. This version will commence use in March 2023	Completed

# Audit & Risk Management Committee Meeting Agenda

## 23 February 2023

Number	Area	Control	Recommendation	Responsible Officer	Progress To Date	Status
17	3. Legislative Compliance	3.3 Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the Customer Service Charter	Colin Young	No Progress	No Action
18	3. Legislative Compliance	3.3 Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the Manage Complaints Process incorporating the following: a) Translating services being provided where appropriate. b) Special arrangements that may be required for responding to particular client groups. c) Reference to the public interest disclosure and misconduct processes. d) Declaring interests. e) The Ombudsman's Conducting Investigations Guidelines. f) The Ombudsman's Procedural Fairness Guidelines. g) A review process in which the Complaint Handling Officer's decision is reviewed by a suitably experienced colleague/superior before the complaint is finalised. h) An independent internal review process. i) Consideration towards establishing a designated Complaint Handling Officer. j) A system for analysing complaint information to enable continuous improvement.	Alysha McCall, Colin Young	No Progress	No Action
19	3. Legislative Compliance	3.3 Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Review the information available on the Shire of Northam website incorporating the following: a) Providing clear information that complaints are handled at no charge. b) Providing the information in the form of other languages and incorporating a "Listen" option.	Alysha McCall, Colin Young	No Progress	No Action
20	3. Legislative Compliance	3.3 Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;	Include the effectiveness of the complaint handling system within the internal audit framework.	Alysha McCall, Colin Young	No Progress	No Action

## 6.6 PROGRESS TOWARDS THE FINANCIAL MANAGEMENT REVIEW

<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Kudzai Matanga, Senior Accountant
<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 Committee to receive a progress report for the Financial Management System Review report.

### ATTACHMENTS

Attachment 1: Financial Management Review Action Plan

## 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

Theme Area 6: Governance & Leadership.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Objective:

- Ensure robust financial management.
- Implement systems and processes which deliver outcomes for our community.
- Maintain a high standard of corporate governance.

### 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**

N/A.

**B.5 Stakeholder Engagement / Consultation**

Nil.

**B.6 Risk Implications**

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

**B.7 Natural Environment Considerations**

N/A

**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 of Attachment 1

**Completed**

**No Action**

**Underway**

**RECOMMENDATION**

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

### Attachment 1 – Financial Management 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	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	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.	Underway
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.	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 to supplier and the supplier set as a debtor	1.The management should ensure there are adequate controls in place to prevent erroneous payments to suppliers	July 2022	Corporate Services / Procurement	Procedures have been put in place to ensure retentions are withheld correctly	Completed
12	Credit Note Requisitions - Shire does not use a formal credit requisition form to raise credit notes relating to sundry debtors. Instead, credit notes are raised based on email requests from the staff requesting the credit note	1.The Shire should develop and use a formal credit note requisition form to be authorised by the responsible officer when a credit note needs to be raised.	February 2023	Corporate Services / Finance	1.Credit note requisition form created pending approval.  2.Credit note requisition process to be added in pro maps by Feb 23	Underway
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

# Audit & Risk Management Committee Meeting Agenda

## 23 February 2023

Number	Finding	Recommendation / Solution	Expected Completion	Responsibility	Progress To Date	Status
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
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>	Kudzai Matanga, A/Executive Manager Corporate Services
<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 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

Attachment 1: ICT Strategic Plan Action Plan.

## 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

#### Theme Area 6 Governance and Leadership

Outcome 1.1: The Shire of Northam is an attractive investment destination for a variety of economic sectors

Objective: Pursue a range of developments in sectors including retirement living, renewable energy, agribusiness, innovation, logistics and aviation; and

*Embrace technology as an enabler for development, and lobby for high speed internet connectivity.*

**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**

N/A

**B.5 Stakeholder Engagement / Consultation**

Nil

**B.6 Risk Implications**

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

**B.7 Natural Environment Considerations**

N/A

### 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 of Attachment 1

**Completed**

**No Action**

**Underway**

#### RECOMMENDATION

**That Council receives the update as provided in Attachment 1.**



### Attachment 1 – ICT Strategy Plan Action Plan

Number	Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress To Date	Status
1	Governance	ICT decisions and operations within the Shire will be controlled and guided through a formalised ICT Governance framework. This framework will ensure the alignment of ICT activities with business priorities.	2021 / 2026	Corporate Services / ICT	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.	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. RFQ 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.	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.	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
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	Ongoing development and training will always be occurring.  May 2022 Update: No progress.  August 2022, No progress.  December 2022 Update: No progress.	Underway
7	Project Management	The effective delivery of ICT projects requires a suitable management framework to be implemented	2022	Corporate Services / ICT	Project Management ICT Procedure to be developed.  February 2022 Update: No progress.  August 2022 Update: No progress.  December 2022 Update: No progress.	No Action



**7. URGENT BUSINESS APPROVED BY DECISION**

Nil.

**8. DATE OF NEXT MEETING**

The next Audit and Risk Management Committee meeting is proposed to be held on 25 May 2023 at 5:00pm.

**9. DECLARATION OF CLOSURE**