



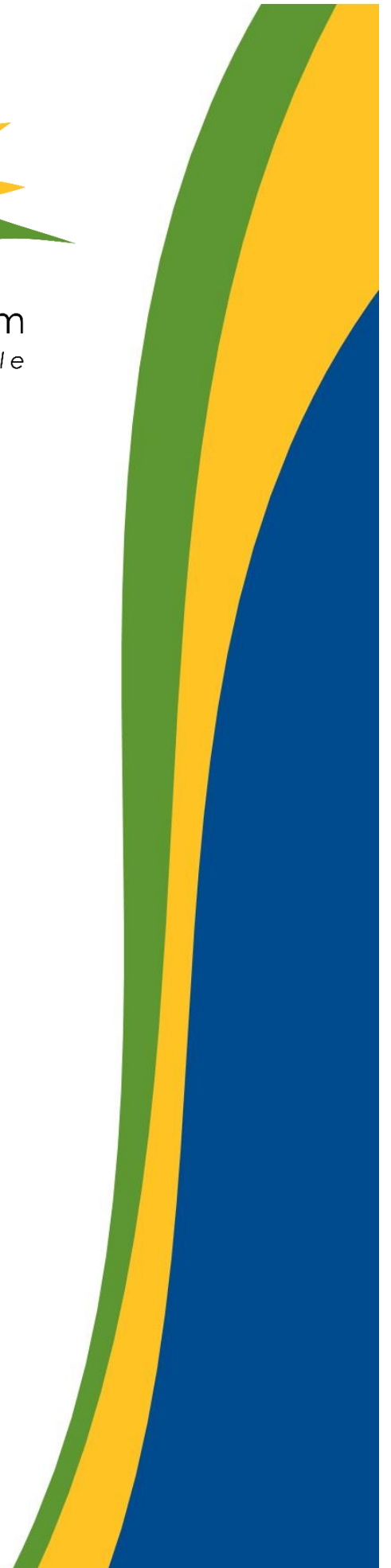
Shire of Northam

Agenda

Audit & Risk Management

Committee Meeting

4 March 2021



NOTICE PAPER

Audit & Risk Management Committee Meeting

4 March 2021

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 4 March 2021 at 5:00pm.

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
Councillors

Cr C R Antonio
Cr A J Mencshelyi
Cr S B Pollard
Cr M P Ryan

Staff:

Chief Executive Officer
Executive Manager Corporate Services
Executive Assistant – CEO
Coordinator Governance / Administration

J B Whiteaker
C Young
A McCall
C Greenough

3.1 APOLOGIES

Nil.

3.2 APPROVED LEAVE OF ABSENCE

Nil.

3.3 ABSENT

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 17 DECEMBER 2020

RECOMMENDATION

That the minutes of the Audit & Risk Management Committee meeting held on 17 December 2020 be confirmed as a true and correct record of that meeting.

6. COMMITTEE REPORTS

6.1 MONTHLY COMPLIANCE REPORT FOR 2020

File Reference:	1.6.1.6
Reporting Officer:	Cheryl Greenough, Governance/Administration Coordinator
Responsible Officer:	Jason Whiteaker, Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

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

ATTACHMENTS

Attachment 1: December 2020 Compliance Calendar.
Attachment 2: December 2020 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 is met on a monthly basis, the Shire has implemented a monthly Compliance Calendar where specific activities are audited internally.

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: Provide outstanding customer service.
Maintain a high standard of corporate governance.

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		

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.

The past year has at times been difficult with staff working from home due to COVID-19 restrictions and new processes being instigated such as moving from paper to digital. One of the new processes requires staff to attach the invoice to the purchase order in G drive. This process requires further modification.

Month	Item	% compliance	Non Compliance
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March	Monthly Check	100%	Compliant
	Random Creditor check	100%	Compliant
April	Monthly Check	94%	The paper registers were not up to date due to staff working from home
	Random Creditor check	31%	There were eleven instances of non compliance due to COVID-19 and staff working from home.
May	Monthly Checks	94%	Financial register had not been updated. Water sampling had not been recorded.
	Random Creditor check	80%	Three checklists not attached to P/O, one purchase order written after the invoice.
June	Monthly Checks	100%	Compliant
	Random Creditor checks	81%	Five instances of no checklist being attached
July	Monthly Checks	100%	Compliant
	Random Creditor checks	81%	One checklist not completed correctly and three P/O's written after invoice
August	Monthly Checks	100%	Compliant
	Random Creditor check	85%	Two P/O's were written after date of Receipt, only one quote provided where it should have been three.
Sept	Monthly Checks	71%	On line tender register not updated, one E-tender not opened by two people, delegated authority register not updated for one item.
	Random Creditor Check	76%	One P/O not before receipt, six receipts not attached to PO (new system)
Oct	Monthly Checks	95%	The new on line tender register does not cover all of the requirements. This needs improving
	Random Creditor Check	73%	New system of attaching receipts to P/O's has not been fully utilised by staff

Nov	Monthly Checks	79%	Still some issues with the new on line tender register, Delegation F06 missed one delegation.
	Random Creditor Check	87%	Attaching supporting receipts to PO still appears to be an issue
Dec	Monthly Checks	100%	Compliant
	Random Creditor Check	77%	5/10 Invoices not attached to P/O, one checklist not attached, one P/O written after invoice date.

RECOMMENDATION

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

Attachment 1 - December 2020 Compliance Calendar

DECEMBER COMPLIANCE CALENDAR

SOURCE	Section	PROCESS OWNER	ACTIVITY DESCRIPTION	COMPLIANCE ACCOUNTABILITY	SCHEDULE	COMMENTS	Sign
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	N/A	gp.
Local Government Act 1995	S5.16	CEO	Is the delegations register current (ie not more than 12 months old)		Annually - June	Yes	gp.
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	No disclosures of financial interest were made	gp.
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 eight disclosures were made	gp.
Local Government Act 1995	S5.73 & S103	CEO	Were ALL disclosures recorded in the minutes		Monthly	Yes all eight disclosures were recorded in the Minutes	gp.
Local Government Act 1995	S5.75	CEO	Have primary returns been lodged within 3 months of elected member 'start dates'		Annually - January	N/A	gp.
Local Government Act 1995	S5.76	CEO	Have all new 'designated' employees completed their primary returns within 3 months of commencement		Monthly	Only one new designated starter who will not be here for the full 3 months	gp.
Local Government Act 1995	S5.88	CEO	Is the register of financial interests up to date		Monthly	Yes	gp.
Local Government Act 1995	S5.89	CEO	Have all resigned members and staff returns been removed from the financial interest register		Monthly	Yes	gp.
Local Government Act 1995	S103	CEO	Is the gift register up to date and on the Council website		Monthly	Yes	gp.

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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	One RFQ was conducted for the Old Quarry Waste Facility in accordance with the Act	go.
Local Government Act 1995	S5.121	EMCS	Has the complaints officer maintained the complaints register and is the online register up to date	Monthly	No complaints under s5.121 of the Act for Minor Breaches	go.
Local Government Act 1995	S3.57 & F/G Reg 11	EMCS	Have tenders been called for all good or services in excess of \$150k	Monthly	No new tenders have been registered for December	go.
Local Government Act 1995	S3.57 & F/G Reg 14	EMCS	Was state wide public notice given for all tenders	Monthly	N/A	go.
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	16 of 2020 was opened by two officers	go.
Local Government Act 1995	F/G Reg 18	EMCS	Rejecting and accepting Tenders	Monthly	15 of 2020 was awarded by Council to Oasis Corporation on 16/12/20 at the OCM	go.
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	N/A	go.
Local Government Act 1995	F/G Reg 18 (4)	EMCS	Written evaluation of each Tenderer's criteria	Monthly	N/A	go.
Local Government Act 1995	F/G Reg 17	EMCS	Tender Register to be maintained and available for inspection	Monthly	Available on website	go.
Local Government Act 1995	F/G Reg 19	EMCS	Tenderers to be notified of outcome	Monthly	Yes all 3 applicants of 15 of 2020 were advised.	go.
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	N/A for December	go.
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	N/A	go.

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Local Government Act 1995		EMCS	Annual report accepted	31-Dec	Was accepted on 17/12/20	JP
Local Government Act 1995		Governance	Review meeting attendance	Monthly	Two applications for absence were made - all other Councillors were in attendance Cr Mencshelyi & Cr Ryan	JP
Local Government Act 1995	s.5.103, s.5.104 Admin.Reg. Part 9 Rules of Conduct Regs.	Governance	Policy Review- Code of Conduct - provide Council report to enable the new council to review and adopt the Code of Conduct	Bi Annually	Minor review of the Policy was undertaken at the OCM 18/11/20 as the Local Government Legislation Amendment Bill 2019 will introduce a mandatory Code of Conduct, a more intense review should be conducted then.	JP
	Delegation - B02	EMDS	Buildings - Grant or Refuse Demolition Permit - register completed?	Monthly	None recorded for December	JP
	Delegation - E01	EMES	Temporary Closure of Thoroughfares to vehicles	Monthly	One recorded for Clarke St - Emergency Repairs	JP
	Delegation - E04	EMES	Crossover Approvals	Monthly	No crossovers registered for December	JP
	Delegation - F02	EMCS	Disposal of Council property	Monthly	None registered for December	JP
	Delegation - F04	EMCS	Inviting Tenders	Monthly	An extension of 16 of 2020 was given, replacement of truck, procurement of Vibratory Roller.	JP
	Delegation - F05	CEO	Waving of fees	Monthly	Seniors Recreation Council fee waived \$420, Clackline BFB fee waived, Irishtown Ag Hall (donation)	JP
	Delegation - F06	CEO	Disposing of Property by Lease or Licence	Monthly	One lease was signed for Girl Guides	JP
	Delegation - R01	EMDS	Approval to keep more than one cat or dog	Monthly	Nil	JP
		EMCS	Interim Audit	Annually		JP
		EMCS	Accounts presented to Council	Monthly	Completed at OCM item 12.4.1 on 16/12/20	JP
		EMCS	Financial Report to Council	Monthly	Completed at OCM item 12.4.2 on 16/12/20	JP
			Annual Report to DLGSC	by 30 Dec	Completed 23/12/20	JP

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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	Completed and sent to Creditors 5/1/20	
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	Completed and sent to Creditors 5/1/20	

Attachment 2 - December 2020 Creditors Checklist

December 2020 Creditor Checks

EFT #	Creditor	Order #	Invoice Amount	Invoice Date	Order Amount	Purchase Order Written	Signing Officer Name	Supporting Invoice Attached	Purchasing Procedure Checklist attached and completed correctly	Date of order prior to date of invoice
38489	Avon Demolition & Earthmoving	59219	1,568 1,568	18/10/2020 01/11/2020	47,760	21/08/2020	EMDS	No	Yes	Yes
38496	The Print Shop Bunbury	60153	1,694	18/11/2020	1,694	16/11/2020	EMES	Yes	N/A	Yes
38518	Autopro Northam	60266	90	26/11/2020	90	26/11/2020	Engineering Admin	Yes	N/A	same day
38593	WestWater Enterprises	59627	3,410	30/11/2020	3,410	29/09/2020	Parks & Gardens	Yes	N/A	Yes
38538	Ag Implements	60009 60187	223.87 830.72	05/11/2020 27/11/2020	200	4/11/2020	Parks & gardens	Yes	N/A	yes
38541	Avon Demolition & Earthmoving	59219	1,568	29/11/2020	47,760	21/08/2020	EMDS	No	Yes	Yes
38543	Avon Waste	59156	6,641	21/10/2020	976,288	14/08/2020	CEO	No	Yes	Yes
38556	Erutan Pty Ltd T/A Nature Playground	60057	35,345	27/10/2020	35,345	9/11/2020	EMES	No	No	No
38562	Industrial Automation Group	59947	1801.25 192.5	3/11/2020 4/11/2020	1,993	29/10/2020	CESM	No	N/A	Yes
38645	Andy's Plumbing Service	60010	5,167.80	19/11/2020	5,167.80	4/11/2020	Building Super	Yes	Yes	Yes

6.2 PROGRESS TOWARDS THE IT AUDIT SERVICE REPORT

File Reference:	1.6.1.6
Reporting Officer:	Colin Young, Executive Manager Corporate Services
Responsible Officer:	Colin Young, Executive Manager Corporate Services
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

This report is to update Council on the progress of the IT Audit Service Report provided by Focus Networks in September 2018.

The report endeavours to establish appropriate and effective compliance with internal controls and although there is no legislative requirement to conduct an IT audit it is recommended as best practice.

ATTACHMENTS

Attachment 1: IT Audit Action Plan

A. BACKGROUND / DETAILS

In June 2018 via the audit committee, Council adopted that an internal audit was to be carried out on the resourcing requirements of Council's Information Technology Resourcing. Focus Networks was contracted to carry out a review of Councils IT Infrastructure. There were four objectives noted as requiring attention:

1. Review the Current IT Environment
 - a. Physically inspect certain core IT areas
 - b. Electronically inspect certain core IT areas
 - c. Document current configurations
2. Compare to Industry Best Standards
 - a. Generate a Technology Scorecard
 - b. Generate a priority Timeframes
 - c. Highlight the differences
3. Make Recommendations for the Future
 - a. Rate core IT areas based on risk
 - b. Document areas of concern

- c. Suggest the implications
- 4. Suggest Budget Estimates
 - a. Propose alternative solutions
 - b. High and medium IT areas
 - c. Include hardware/software/labour

The core areas audited and documented were:

- 1. Plans Procedures & Designs
- 2. Environment & Communications
- 3. Computers & Network Hardware

Furthermore, Council's network was hit by a crypto virus on 18 August 2018 – this attack highlighted the need for an urgent review of Council's network.

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: Provide outstanding customer service.
Maintain a high standard of corporate governance.

B.2 Financial / Resource Implications

N/A

B.3 Legislative Compliance

There is no legislative requirement to hold an IT Service Review, however it is best practice.

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	The cost of cyber-attacks can be extremely high	Likely(4) x Medium(3) = High(12)	Put processes in place to mitigate attack
Health & Safety	N/A	N/A	N/A
Reputation	Any disruption to Council's IT infrastructure impacts 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 attack
Service Interruption	Disruption to the service provided by Council	Likely(4) x Medium(3) = High(12)	Put processes in place to mitigate attack
Compliance	N/A	N/A	N/A
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

C. OFFICER'S COMMENT

Since the last Cyber-attack in 2018, an agreement has been signed between the Shire and JH Computer Services to provide two levels of support.

Level 1 Monitoring and Maintenance

Examples include but are not limited to:

- Monitoring Server Uptime;
- Being made aware if Server goes offline;
- Monitoring and maintain Backups;
- Monitoring and managing Hard Disk Utilisation;
- Monitoring, notifying and instigating repair of Hardware faults; and
- Checking Windows updates that are required.

Level 2 Support Packs

Such as auditing and review services which include:

- Backup and Disaster Recovery Assessment;
- Network Performance Assessments;
- Virus and Security Assessments;
- Network Hardware Review; and
- Communications Review (i.e. ADSL connections)

The attached table has been marginally modified from the last report to Council and details further actions taken by officers to address the IT issues raised by Focus Networks.

Officers are working towards addressing the areas for further development whilst continuing the improvements already underway in order to achieve

good practice, governance and legislative compliance into the future. The action plan for the review has been provided in Attachment 1 with an update of the progress made towards the recommendations.

Table Legend

Completed

No Action

Underway

RECOMMENDATION

That Council receives the update as provided in Attachment 1 in relation to the progress made towards the IT Audit Review.

Attachment 1 – IT Audit Action Plan

No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
1	Backups	<u>HIGH</u> Score 1.5	<p>Two backup technologies are used</p> <p>The backup runs daily Monday to Friday and items are stored on a share on the NSC-HYPERV physical server. A retention period for NSC-DATABASE could not be documented.</p> <p>A backup exists on the NSC-FILE virtual server and NSC-TS physical server. This backup runs daily Monday to Sunday at 9PM. A retention period of 7 days exists for NSC-TS and 28 days for NSC-DATABASE. These are stored onsite in a fire proof safe right next to the server room. Once a week the hard drives are taken offsite by staff. Notifications are emailed to the ICT shared mailbox.</p> <p>Focus Networks could not confirm failures for the past month.</p>	<p>An onsite and offsite backup and recovery solution should be kept as simple as possible and include the following.</p> <ul style="list-style-type: none"> • Onsite and offsite retention of backups • Minimum hourly snapshots • Hourly daily, weekly, monthly and annual retention periods • Regular recovery testing • Daily backup notifications <p>It is important to do regular scheduled disaster recovery testing to ensure all is working as intended.</p>	Executive Manager Corporate Services	<p>Taking multiple daily snapshots as well as offsite backups.</p> <p>February 2021 Update: Now using Shadow Protect.</p>
2	Internet Gateway	<u>HIGH</u> Score 1.5	<p>Current firewall offers protection for less than 1% of these vulnerabilities.</p> <p>A Juniper device managed by Telstra is a basic router that offers no security services for Website Content Filtering, Gateway Anti-Virus or Gateway Anti-Spyware (also referred to as Deep Packet Inspection). These security services are supposed to be the first line of defence for incoming Internet traffic.</p>	<p>It is imperative that a deep packet scanning corporate firewall be utilised at all sites for both unencrypted and encrypted traffic providing protection from Internet attacks and misbehaving users. As of today, known virus, intrusion and spyware vulnerabilities are numbered at over 31,000.</p>	Executive Manager Corporate Services	<p>Hardware based deep packet scanning corporate firewall has been implemented via a Fortigate router.</p> <p>February 2021 Update: The Depot, Killara, Library, Rec Centre and Visitors Centre all use TPG NBN</p>

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
3	Anti-Virus	<u>HIGH</u> Score 1	The cloud-based solution is used; this makes remote agent monitoring and management a little easier. It is confirmed there is a license count of 80 with 75 in use. 17 agents were outdated and ransomware protection was disabled. No scheduled scans have been created for the servers or desktops and no scheduled reporting was enabled. Notifications were set to email ithelp@northam.wa.gov.au	Corporate grade anti-virus and anti-spam protection is a priority and proactive monitoring is required. Weekly scanning and reporting is imperative. A centrally located management console must be used to push out and update all machines at all sites	Executive Manager Corporate Services	Have upgraded to the latest Trend, WFBS is implemented on servers, all workstations are also using Trend as an anti-spam solution for emails.
4	IT Support	<u>HIGH</u> Score 1	IT support is delivered using a mix of internal resources and an external contractor being PCS. Neither have full visibility of all components and no sharing mechanisms. This can lead to confusion and inevitably a finger pointing exercise. The Telstra MPLS network is fully managed generally locking out the client to making network/security modifications unless a ticket is generated. The response times from Telstra on these tickets can take days/weeks. The Library was following a different strategy and appeared to run under an independent IT model. Calls for help are not documented in a helpdesk ticketing system. No utilisation statistics can be documented.	A proactive support mechanism implemented with a helpdesk solution should aim at keeping all parties up to date at all times. Helpdesk calls should be updated when a system change is required or when a request is completed. Regular helpdesk reporting can help identify underlying issues and a searching ability should allow engineers to track and troubleshoot problems. Documentation and communication build a strong relationship.	Executive Manager Corporate Services	We now have a ticketing system using Fresh desk as our online ticketing system. Goes to all on the IT team including our external support. The system gives IT staff the ability to monitor and review work history for trends. We also have a support agreement in place with JHCS, whom monitor Councils servers, backups etc. remotely.

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			<p>PCS provide Level 2 and Level 3 remote IT support on an adhoc basis which can total up to 3 hours per week.</p> <p>No remote monitoring or infrastructure maintenance is delivered but after hours support is offered via mobile phone. There are no Service Level Agreements (SLA's) or minimum response times provided and no management reports.</p>			
5	ISP Links	<u>MEDIUM</u> Score 1.5	<p>The Telstra MPLS NBN link uses FTTN. This services uploads and downloads speeds are different. The Telstra MPLS NBN link was running at a speed of 43Mbps down and 2Mbps up.</p> <p>The secondary link is a Telstra ADSL link that uses copper. This service is an asynchronous service which means the upload and download speeds are different.</p> <p>The Head office lacks a fast redundant ISP link but this would be due to the design of the MPLS network as the hop off point for the Internet would be in the Telstra MPLS cloud. The NBN FTTN disconnection for copper services would affect ADSL services.</p>	Business grade Internet services will offer better contention ratios. Redundant links using different Internet technologies on a corporate firewall can increase uptime and will improve Internet browsing, site to site connectivity or cloud connections.	Executive Manager Corporate Services	February 2021 Update: All sites are now using TPG NBN with the P2P as failover

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
6	IT DR Plan	<u>MEDIUM</u> Score 0	<p>There is no current IT DR plan. A very basic document called "Information & Communication Technology Strategy 2018-2022" did contain one page on disaster recovery but the content was extremely poor. It was also noted that a document from LGIS called "Crisis Management & Business Continuity response Plan" did exist and referenced the IT DR Plan on page 25 but no current IT DR plan exists.</p> <p>As no plan exists, the organisation is relying on the current backup regime to restore data in the event of a disaster. Unfortunately as recent events have shown, the backup regime was proved to be inefficient.</p>	An IT Disaster Recovery Plan is a key element of business continuity management. It should be clear and concise, focus on the key activities required to recover the critical IT services, be tested reviewed and updated on a regular basis, have an owner and enable the recovery objectives to be met. As part of this exercise a Critical Systems Analysis document is to be completed to document business functions which are delivered using internal and external technologies.	Executive Manager Corporate Services	DRP is presented to the Committee to recommend for adoption to Council. 24/02/2020 The disaster recovery plan was adopted by Council on the 18/03/2020.
7	Strategic IT Plan	<u>MEDIUM</u> Score 0	<p>There is no current Strategic IT Plan. The "Information & Communication Technology Strategy 2018-2022" did contain four pages on strategy but the content was extremely poor.</p> <p>No standard purchasing policy is defined for replacing computers based on time, age or life cycle. No other structured plans are set for larger IT related projects as no particular direction for strategy is defined. Very little detailed technical documentation exists.</p>	There needs to be an overall approach for the selection, use and support of technology that aligns with the client's resources, business needs and processes. A Strategic IT Plan provides direction for addressing both short-term needs and long-term requirements for cost-effective, practical technological solutions.	Executive Manager Corporate Services	The "strategic IT plan" for the last year has been more about recovery and rebuilding the essentials while retaining service delivery but we are now finally in a far better position to develop a broader IT strategy. Identification of priorities has been determined and JHCS, our main ICT support vendor, engaged to assist in what

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
						needs to be achieved, ongoing 24/02/2020 February 2021 Update: Ongoing
8	Windows Updates	<u>MEDIUM</u> Score 1	<p>The two physical servers were last updated on the 19th of August. As this is a Sunday we assume IT completed the updates.</p> <p>The single virtual server NSC-FILE was last updated on the 21st of August which places the network at significant risk.</p> <p>All desktops are configured to receive updates through group policy, forcing all machines to update from Microsoft servers. No central WSUS server is present, which places more load on the internet links, and prevents reporting on the current state of patching. All desktops audited had less than 10 important updates pending.</p> <p>No test groups or pilot groups for desktops were evident for updates. This means that all updates are simply installed without testing, which is not recommended.</p>	Microsoft Windows Server Update Services (WSUS) or alternative 3 rd party management tools, enable administrators to deploy the latest Microsoft product updates to computers running the Windows operating system. By using WSUS or these tools, administrators can fully manage the distribution of updates that are released through Microsoft Update to computers in their network.	Executive Manager Corporate Services	Councils ICT provider is now contracted to carry out updates on a regular basis, 26/02/2020.
9	Printing	<u>MEDIUM</u> Score 1	Centralised printing is via at least ten printers setup as direct IP printing on Server 2008 R2. The IP addresses used for the network were not all in sequential order.	Centralised printing should be implemented to reduce ongoing consumable costs. Highly sensitive printing for the payroll or HR department should be implemented with a private/local printer. Network sharing should always be chosen over	Executive Manager Corporate Services	A review of printers has been carried out across all operation centres and stand along printers decommissioned where possible being replaced

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			<p>Canon, HP and Brother printers were confirmed onsite no standard purchasing policy exists.</p> <p>No secure print functionality was witnessed on the larger multi-function printers.</p>	<p>direct printing and the secure or distributed option of printing should be investigated.</p> <p>Locations of printers from an OHS point of view should be addressed for ventilation and noise requirements.</p>		by network printers. 25/02/2020
10	Servers	<u>LOW</u> Score 0.5	<p>Three white box physical servers reside in the server cabinet. They are all configured with redundant power supplies running from a single Eaton UPS. The second Eaton UPS in the rack is faulty and not in use.</p> <p>There is no remote management port options available on these servers. The white box physical servers are not covered under a warranty.</p> <p>Connectivity to the network is 1Gb via a single CAT5 Ethernet cable. Redundant network interfaces are not utilised on all servers</p>	A tier 1 server platform utilising the N+1 architecture delivers an increased uptime by offering redundant power supplies, redundant network connections, on-board remote management and extended warranties.	Executive Manager Corporate Services	Servers have been upgraded and storage increased and connectivity to the network is via managed switches configured to deliver 4Gb (bonded 4 x 1Gb) links. Servers are remotely monitored by JHCS our main ICT support vendor.
11	Local Area Network	<u>LOW</u> Score 1	<p>Three switches are rack mounted in the comms cupboard. Unfortunately all devices are powered by mains power only.</p> <p>A Netgear FS524 24 port 10/100 switch has no ports free.</p> <p>A Netgear Prosafe GS748T 48 port gigabit switch has approximately 8 ports free.</p> <p>A HP J3188A 16 port 10Base-T hub has approximately 10 ports free.</p>	Managed switches should be backed by a lifetime product warranty. Power over Ethernet (PoE) functionality should be investigated if a VOIP phone system is utilised. Management capabilities (HTTP and SNMP) will also aid in network fault finding and usage reporting. Non managed switches can decrease intelligence and performance. Wi-Fi access points can be configured on different frequency	Executive Manager Corporate Services	Most assets mentioned in this section of the audit has since been replaced and all of it is now on a UPS. We are now running smart / managed PoE switches and a Fortigate router configured to handle multiple sources of network connectivity, deep packet scanning, VPNs, VLANs, and Wifi hotspots, etc.

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No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			<p>One switch is rack mounted in the server rack in the printing room. A Netgear Prosafe JGS524 24 port gigabit switch has 18 ports free.</p> <p>There is no evidence of separated networks (referred to as VLANs).</p>	<p>ranges. Each range is divided into channels. Fine tuning can increase performance gains. Wireless network access can also be configured using SSIDs and VLANs for internal use and/or public use.</p>		<p>February 2021 Update: Further options are being discussed</p>
12	Uninterrupted Power Supply (UPS)	<u>LOW</u> Score 1	<p>Two Eaton UPS reside in the server rack in the printing room. We are confident that the Eaton 9125 RM UPS is end of life and faulty.</p> <p>No SNMP card or EMP probe for monitoring were witnessed therefore no Eaton shutdown software was loaded to gracefully restart the powered servers in the event of a temperature or humidity rise.</p>	<p>A UPS filters supplied power Load segments can be defined to shutdown non-critical equipment first. The SNMP protocol is used to record and monitor incoming and outgoing voltages. Most importantly, UPS shutdown software should be installed and configured to shut down the servers gracefully during an extended power outage and power them back on after clean power has been restored.</p>	Executive Manager Corporate Services	<p>The main server and NAS storage and switch is on a managed UPS configured to shutdown the server in the event of an extended outage and its effectiveness was tested (including power down / back on) during a power outage earlier this year. One of the two older Eaton UPS devices has been repurposed to provide protected power to the managed switches and other gear in a separate comms cabinet. The audit assessment of the Eaton 9125 UPS was correct and it has since been decommissioned.</p>

6.3 PROGRESS TOWARDS THE PARKS AND GARDENS AUDIT

File Reference:	1.3.6.9
Reporting Officer:	Cheryl Greenough, Coordinator Governance / Administration
Responsible Officer:	Clinton Kleynhans, Executive Manager Engineering Services
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

This report is for Council to receive an update on the recommended actions identified in the Parks and Gardens Service Review Report since being received in October 2019 from XYST.

ATTACHMENTS

Attachment 1: Northam Parks and Gardens Review Table

A. BACKGROUND / DETAILS

Under the direction of the CEO, staff called for quotes from suitably qualified consultants to conduct an audit of our service provision in the Parks and Gardens area.

In November 2018 the Executive Manager Engineering Services and the Governance Officer met with Mr Brian Milne from XYST Australia P/L to discuss an audit of the Shire's Parks and Gardens Service Area and current service levels. The Audit was designed to provide both Senior Staff and Council with an additional element of reassurance by means of a performance review versus the expenditure.

XYST were engaged to perform the following scope of works:

- Review existing documentation relating to parks asset management, open space planning and service delivery;
- Undertake individual office and site-based meetings with each of the Parks and Gardens management team to identify strengths and weakness and opportunities for improvement;
- Run a full day workshop with Parks and Gardens Management and team to identify a comprehensive business improvement program;

- Identify training with discussion to develop initial framework for operational levels of service in focus areas;
- Identify possible solutions, priorities and required resources;
- Document a recommended improvement program and action plan

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area 4: Environment and Heritage.

Outcome 4.1: The Shire of Northam is visually pleasing and easy to find your way around.

Objective: Verges and Roadsides are neat, tidy and attractive.

Theme Area 5: Infrastructure and Service Delivery.

Outcome 5.2: Environmental risks are proactively managed to minimise impact on residents.

Objective: Verges and Roadsides are neat, tidy and attractive.

Theme Area 6: Governance & Leadership.

Outcome 6.1: The Shire of Northam is recognised as a desirable place to live and residents are proud to live here.

Objective: Positive internal and external perceptions about Northam.

Objective: Foster a sense of community pride.

B.2 Financial / Resource Implications

Nil.

B.3 Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.

B.4 Policy Implications

N/A

B.5 Stakeholder Engagement / Consultation

XYST Australia who conducted the Audit.

B.6 Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	Shire facilities are not maintained to	Rare(1) x Minor(2) =	Ensure fit for purpose programs

	acceptable standards	Low(2)	are in place with ongoing monitoring
Service Interruption	Ineffective programs causing lost time	Rare(1) x Minor(2) = Low(2)	Ensure programs are being monitored with improvements made where identified
Compliance	N/A	N/A	N/A
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

C. OFFICER'S COMMENT

A performance quality assessment was undertaken of operations and maintenance standards across 15 parks. A typical performance target is 85% and Northam is performing above this level at 90%.

There are some areas of improvement required such as garden maintenance and some general maintenance. At 70% we provide a higher number of playgrounds but less youth facilities than some other councils who would be considered our peers.

However, we have a higher ratio of grass sports fields being 1.42 per thousand residents compared to the average of 0.98 per thousand residents.

The Shire's total expenditure budget of \$132.90 per capita is consistent with our peer groups.

The Best Practice scores indicate room for improvement in some areas whilst other areas are equal to or better than average.

The audit findings will be used to further develop the pending Parks and Gardens Asset Management Plan and the associated service levels. This will be presented to Council for adoption prior to the end of this financial year.

Table Legend

Completed

No Action

Underway

RECOMMENDATION/COMMITTEE DECISION

That Council receives the update as provided in Attachment 1 in relation to the progress made towards the Parks and Gardens Service Review Recommended Actions.

Attachment 1 – Shire of Northam Parks and Gardens Review Table

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	Provision of actively maintained open spaces is relatively low compared to average industry provision.	Low (4)	Low number of maintained natural open spaces	Identify areas of natural open space land to achieve a more accurate account of provision	The Shire has a number of natural (bushland) Public Open Spaces which were not included in the audit review. These need to be investigated and considered for inclusion of maintenance	EMES	February 2021 Update: – Identified with maintenance requirements being assessed.
2	The provision of playgrounds per 1000 children under 15 is 70% higher than both the peer group and total sample.	Mod (9)	Playground can potentially be underutilised	Review level of playground provision to assess whether rationalisation is desirable (Consider preparation of playground strategy)	The review of this provision will be included as part of the Parks and gardens Asset Management Plan/ Strategy development.	EMES	February 2021 Update: The Plan has been completed and was adopted by Council on 21/10/20.

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No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
3	Difficulty in recruiting and retaining staff with suitable skills and aptitude.	High (12)	Unskilled workforce placing greater load on those more qualified	Implement traineeship development program	Appointment of Trainees has already commenced, formalisation of the program is in development	HR	<p>A formal traineeship structure is currently being developed within the Promapp system.</p> <p>February 2021 Update: 2 x horticultural trainees currently assigned to Parks & Gardens team.</p> <p>Current vacancy for Development Services trainee through successful grant application for \$30,000.00.</p> <p>Current vacancy for Environmental Health Trainee.</p>
4	There is opportunity for improvement for communication, organisation and staff development skills.	High (12)	Potential for improvement of programmed activities	Engage support to assist with implementing staff development programs and provide management mentoring	Middle Management training and professional development opportunities are being investigated	HR	<p>Training Register completed.</p> <p>Skills Register currently being created to identify skills gaps within the department.</p> <p>Currently developing a professional development framework for middle management</p>

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
							throughout the organisation
5	There are opportunities to improve the methodology of programming works in terms of combining crews on locations.	Low (4)	Loss of productivity	Reorganise some aspects of the service delivery approach to move from a focus on cyclic park maintenance to a more prioritised approach with completion of key tasks and targeted combined staff resources	Opportunities will be investigated and where practicable crews will jointly address works	EMES	<p>Programming of works is being reviewed and will be assessed for any change in productivity or service standard.</p> <p>To date where opportunities have been presented this has occurred.</p> <p>February 2021 Update: No further progress.</p>

6.4 PROGRESS TOWARDS THE REGULATION 17 REVIEW ACTION PLAN

File Reference:	8.2.7.1
Reporting Officer:	Jason Whiteaker, Chief Executive Officer
Responsible Officer:	Jason Whiteaker, Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

To provide Council with an update of the progress made towards the Regulation 17 Review Action Plan that was presented to Council at the December 2019 OCM 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. Appendix A, B & C

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 was then prepared identifying the findings from the review along with recommendations (if applicable). These findings and recommendations were developed into an action plan and are provided in Attachment 1.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme 6: Governance and Leadership.

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

Objective: Ensure robust financial management;
Maintain a high standard of corporate governance;

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

B.6 Risk Implications

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

C. OFFICER'S COMMENT

This review indicated that the Shire of Northam is proactive in managing risk, internal controls and legislative compliance as well as taking the necessary steps to ensure appropriate risk management, internal controls and legislative compliance policies and practices are in place. Areas for improvement and

recommendations have been detailed in Attachment 1 with comments in respect to the progress made towards each of these.

Officers are working towards addressing the recommendations from the review whilst continuing the improvements already underway in order to achieve 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.

The previous Regulation 17 Report Action Plan 2016 has been superseded with the current Regulation 17 Report Action Plan 2019. As such any outstanding recommendations have been carried forward. Only two items remain outstanding.

Table Legend

Completed

No Action

Underway

RECOMMENDATION

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

Attachment 1 – Regulation 17 Review Action Plan. Appendix A, B & C

**APPENDIX A
SHIRE OF NORTHAM
RISK MANAGEMENT**

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	Adopted risk policy requires further refinement to further define risk tolerances.	Inconsistent application of risk assessments	While the risk policy is relatively recent, it is felt it could be improved by further defining the Council's risk tolerances.	Completed	CEO	Completed
2.	Potentially inadequate business continuity plan and Disaster Recovery Plan	Inability of Council to recover from events that impact Council service	1. Business Continuity Plan needs to be tested annually to ensure efficacy; 2. IT Disaster Recovery Plan to be developed and implemented by the Shire of Northam including a mechanism for annual testing. This will require the development of an ICT test environment separate from our live environment	The Shire of Northam has a current business continuity plan, adopted in 2016. The plan is due for review in 2020. While the business continuity plan is in place and an IT Disaster Recovery is briefly referenced in the Business Continuity Plan, the detail is considered insufficient. Further to this there are no formal	EMCS	IT Disaster Recovery Plan completed and adopted on the 18/03/2020

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
			and will also provide for the mirroring of systems and data to alternative office locations for the purpose of training as well as testing and Disaster Recovery.	mechanisms in place to test the recovery of data.		
3	I/T framework, policies and procedures require further development	Without proper procedures in place the Shire is leaving itself vulnerable to Cyber Attack and fraud	<p>In accordance with the Department of Local Government I/T framework, policies and procedures are to be developed, outlining terms and conditions in respect to personally owned devices, and access to documented and approved policies implemented and monitored on an ongoing basis.</p> <p>Policies and procedures relating to access and use of Shire CCTV systems also needs to be developed, documented, approved, implemented and monitored.</p>	<p>1. ICT Policy to be put in place for personally owned devices.</p> <p>2. Policy and procedures to be put in place for the Shire's CCTV network.</p> <p>3. Create a user access agreement.</p> <p>4. Create a simplified wireless network.</p> <p>5. Enter a risk in PROMAPPS to document internal fraud.</p>	EMCS	<p>Limited, these issues are planned to be addressed during the 2020/21 financial year.</p> <p>February 2021 Update: Ongoing</p>

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
			<p>Related ongoing and/or planned projects include (but not limited to):</p> <ul style="list-style-type: none"> • Access to the Shire's network requiring a user to single-click an acknowledgment notification relating to terms of (fair) use and activity monitoring before access to Shire resources is granted. This will assist with the protection of the Shire as an organisation in relation to indemnity and liability related to any incidents of misconduct, fraud, theft, workplace bullying, etc. • Simplified wireless network access in all offices, segregated into Staff, Councillors, Services (such as retic and security), and Guest layers • that can be utilised by Shire resources as well as 			

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
			<p>Bring Your Own Device (BYOD).</p> <ul style="list-style-type: none"> • Data encryption of all mobile Shire resources such as laptops, tablets, mobiles, and USB drives. • "Follow me" printing and simplified user workstation access that allows all staff to access print resources, scanned data, usual/favourite browser links and shortcuts (etc.) from any workstation within the organisation. <p>It is recommended that a risk be identified within Promapp to document the internal fraud risk along with any associated treatments to manage this.</p>			

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No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
4	Procurement framework could be improved with addition of guidelines for when the CEO is managing projects.	Potential inadequate processes for signing variations off to projects	Cost Variation Form – Add the following comment: 'In the event that the CEO is project manager, the variation is to be authorised or approved by another executive or a project superintendent, effectively requiring two signatures'	Agree	CEO	Complete.
5	Ascertain 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.	Potential Internal Risks <ul style="list-style-type: none"> • Corporate card misuse, such as payment for personal expenses • Fictitious names on the payroll system. • Delayed terminations. • Abuse of position and power, including accepting or offering bribes or gifts. • Nepotism. • Submitting false travel claims. 	To ensure there is no perception of inappropriate involvement with suppliers, including: unlawful or unauthorised release of information, knowingly making or using forged or falsified documentation, failing to declare and appropriately manage conflicts of interest, a Fraud and Misconduct Control Framework should be developed and endorsed by the Audit & Risk Committee	A Fraud and Misconduct Framework will be developed	GOV Officer	February 2021 Update: The Fraud and Misconduct Framework is almost completed, however requires checking by EMCS & CEO.

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
		<ul style="list-style-type: none"> • Consistently recording incorrect hours of work on timesheets. • Unauthorised use of Shire vehicles. • Fuel card misuse • Theft or unauthorised use of public funds or physical resources, such as office supplies and stationery. <p>Potential External Risks</p> <ul style="list-style-type: none"> • Customers deliberately claiming benefits for which they are ineligible. • External providers making claims for services that were not provided. • The provision of false or misleading information. Failure to provide 				

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
		information when obliged to do so. • Inappropriate influence over grants and funding applications. • Manipulation of a procurement process.				

**APPENDIX B
SHIRE OF NORTHAM
INTERNAL CONTROLS**

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	Our inquiries of Council's Building Supervisor indicated the Shire of Northam does not currently have a signed contract in place with the external security companies used for monitoring and call-outs. Finding Regulation 17 2016 Audit	Risk of the Shire of Northam locations not being protected from break-ins, vandalism etc.	We recommend that contracts are in place with all third parties engaged to provide said security services.	Staff will develop an agreement.	EMES	As at 24/2/20 an overarching contract has been developed to monitor all buildings but does not include remote access for callouts as yet February 2021 Update: No further progress.
2	An audit of several registered documents found that some documents which were considered to be sensitive, were not appropriately registered, with limited viewing.	All staff would have access to sensitive documents which would be a breach of privacy.	Process suggestion has been made to make provision for registering sensitive documents. Staff to be provided with training/reminder of the need to register certain documents whilst limiting access.	Staff to investigate	EMCS	February 2021 Update: Complete Staff have reviewed the access process and posted a reminder by email for staff to forward any sensitive documents to Records for the appropriate registration.
3	Some processes being used by external offices do not comply with correct accounting procedures	Cash may be incorrectly recorded, there is also the potential	Develop a process for receipt of all 'offsite' money, inclusive of a mechanism to ensure accuracy of takings to	1. Staff to develop a process to receipt all off site money	Accountant	1. Process developed and implemented across all departments.

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
		for money to go missing	banking and develop a process for offsite stock management.	2. Develop a process and procedure for offsite stock management.		2. Point of sale software has been installed. February 2021 Update: Stocktake processes to be further developed before 30/06/2021.

**APPENDIX C
 SHIRE OF NORTHAM
 LEGISLATIVE COMPLIANCE**

No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	Reviewing the annual Compliance Audit Return and reporting to council the results of that review	There is a risk of complacency and missed documentation.	Have the CAR undertaken independently once in every three years.	It is planned to allocate funds to have the CAR carried out independently for the 2020 return	GOV Officer	February 2021 Update: Complete. External review of the CAR was undertaken by Butler Settineri in early February 2021.
2	Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints		Complaints management process to be amended to include provisions around treatment of confidential and anonymous complaints (internal / external).	Process to be reviewed	GOV Officer	Complete. The complaint process has been amended to include: All elements of the complaint are to be treated with confidentiality (including the identity of the complainant).

6.5 PROGRESS TOWARDS BETTER PRACTICE REVIEW

File Reference:	1.6.1.6
Reporting Officer:	Jason Whiteaker, Chief Executive Officer
Responsible Officer:	Jason Whiteaker, Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple majority
Press release to be issued:	No

BRIEF

To provide Council with an update of the progress made towards the Better Practice Review (BPR) Action Plan.

This report aims to establish a level of accountability in respect to completing the actions identified through the Better Practice Review Program to ensure that continuous improvement occurs within the organisation.

ATTACHMENTS

Attachment 1: BPR Action Plan

A. BACKGROUND / DETAILS

The Local Government BPR Program is an initiative undertaken in October 2015, with the Final Report received by Council in March 2016, by the Department of Local Government and Communities to recognise and promote good practice in Western Australian country local government. The BPR Program involved a team reviewing key areas of the Shire of Northam's activities and operations. The BPR Program objectives are to:

- Generate momentum for a culture of continuous improvement and greater compliance across the local government sector;
- Promote good governance and ethical regulation;
- Identify and share innovation and best practice in the local government sector; and
- Act as a 'health check' by providing departmental advice and support to local governments that may be experiencing operational problems.

The key findings from the review are summarised in the areas of Governance, Planning and Regulatory function, Plan for the Future (strategic and corporate planning), Assets and Finance, Workforce Planning / Human Resource (HR) Management and Community and Consultation. The report aims to highlight

areas where the local government is demonstrating better practice as well as providing constructive feedback on addressing any areas for further development. The areas requiring further development are provided to the local government with suggested recommendations that the local government can aim to address through a documented action plan (Attachment 1).

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme 6: Governance and Leadership

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

Objective:

- Ensure robust financial management.
- Provide outstanding customer service
- Maintain a high standard of corporate governance
- Encourage active community participation in our local government

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

It is not a requirement under the Act to conduct a Better Practice Review

B.4 Policy Implications

N/A

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 (consequence x likelihood)	Mitigation Action
Financial	Nil		
Health & Safety	Nil		
Reputation	Nil		
Service Interruption	Nil		
Compliance	Potential for short term non-compliance.	Medium(3) x Rare(1) = Low(3)	Ensure systems and processes are in place to ensure compliance.

Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

The review found that overall the Shire is an organisation that functions well. Areas of further development identified related to enabling planning, building and health staff to work more cohesively to deliver consistent information to the community, the improvement of asset management, financial reporting practices, meeting/briefing procedures and standing orders. Areas for further development and recommendations have been detailed in Attachment 1 with comments in respect to the progress made towards each of these.

Officers are continually working towards addressing the areas for further development whilst continuing the improvements already underway in order to achieve good practice, governance and legislative compliance into the future. The action plan for the review has been provided in Attachment 1 with an update of the progress made towards the recommendations.

Table Legend:

Completed

No Action

Underway

RECOMMENDATION

That Council receives the update as provided in Attachment 1 in relation to the progress made towards the Better Practice Review Action Plan.

Attachment 1 – BPR Action Plan

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Governance				
Business Continuity Plan	1. Continue to work towards developing a business continuity plan to complement any risk management documentation.	June 2016	CEOPA	Finalised June 2016.
Council forum meetings	2. Review the council forum procedures and formalise these to minimise duplication with Ordinary Council Meetings.	May 2016	CEO	Review completed. Notes of forums now taken and presented to council meetings for acceptance. Process has been improved eliminating duplication of agenda preparation.
Local Laws	3. Review (and update or repeal, where required) local laws, including the Standing Orders in line with the requirements of the <i>Local Government Act 1995</i>	2016/17	Gov Officer	All Local Laws have been Gazetted and presented to the Joint Standing Committee on Delegated Legislation
Information Statement	4. Review and update the Shire's Information Statement and ensure that it reflects the current council.	July 2016	Gov Officer	Review completed 6/7/17. Next review 6/7/19
Legislative compliance	5. Develop a legislative compliance checklist/calendar to promote accountability and legislative awareness amongst all staff.	June 2016	CEO	In place.
Communication devices	6. Develop a communication device usage agreement for Elected Members	October 2016	CEOPA	Presented to Council 20/12/2017 and was not endorsed.
Business statement ethics	7. Consider developing a statement or policy to guide contractors and suppliers on expected standards and conduct when acting on the Shire's behalf.	August 2016	Purchasing Officer	Complete. Statement of Purchasing Ethics is incorporated into the Shire's documented purchasing process.

Audit & Risk Management Committee Meeting Agenda
4 March 2021



Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Information Technology (IT) and Information and Communications Technology Framework (ICT)	8. Review the current arrangements with the Shire's IT provider to ensure appropriate support is provided.	May 2016	EMCS	Audit Carried out that resulted in the calling for quotes and a new IT provider appointed November 2018. Updated 28/02/2019.
	9. Consider the adoption of an ICT Strategic Framework as a resource to use to plan for, manage and review the Shire's information and technology assets.	November 2016	EMCS	Have realigned staff to accommodate I/T Officer to coordinate, strategies are currently being developed. Council's external ICT provider has been contracted to facilitate. February 2021 Update: This is in progress. External ICT provider has put together a draft ICT Strategy. Alignment with Council's direction needs to be confirmed/revisited.
Governance Relationship	10. Review the Shire's Code of Conducts and/or develop policies to formalise and document the Shire's practices in regards to elected member and staff interactions and requests for information.	January 2017	CEO	Complete. Policy adopted.
Emergency management	11. Continue the process of reviewing and documenting emergency management processes and procedures, ensuring plans are current and relevant.	November 2016	Community Emergency Services Manager	Completion of Local Emergency Management Arrangements adopted by Council 16/11/16.
Planning and Regulatory				

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Documentation on Development Application Process	12. Review the current information and content on the Shire's website relating to Planning to ensure it is accurate and helpful.	October 2016	Manager Planning Services	Ongoing. Being reviewed from time to time to ensure info and forms remain current.
	13. Further develop additional information that will assist applicants to understand the Development Applications process and ensure its availability on the Shire's website.	October 2016	Manager Planning Services	Complete April 2017.
Heritage	14. Continue working towards developing a heritage list and revising and amending the Municipal inventory.	February 2017	Manager Planning Services	Heritage List adopted by Council on 19 February 2020.
Plan for the Future				
Corporate Business Plan	15. Ensure the annual review of the Corporate Business Plan results in the development of an evolving and rolling four-year plan, with the current financial year as the base year, which is linked to the annual budget.	May 2016	CEO	Completed.
	16. Review and provide clearer descriptions of the two categories of 'priority projects' in the Corporate Business Plan and ensure the financial allocation for the priority projects in the Corporate Business Plan aligns with the annual budget.	May 2016	CEO	Completed.
Asset and Finance				

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Asset management	17. Continue the process of drafting individual asset plans for each of the major asset classes ensuring integration with other IPR plans.	June 2016	EMES	Infrastructure Asset Plan finalised. More detailed Parks & Gardens plan nearing completion. Building Asset Plans adopted June 2019. February 2021 Update: Council endorsed an allocation of \$18,458 on 17 February 2021 for labour hire to complete.
	18. As part of the Shire's asset management review, both an asset management policy and strategy should be developed.	June 2016	EMES	Completed.
	19. Consider developing an asset disposal policy.	November 2016	EMCS	Asset disposal policy was adopted at OMC on April 2019
Long Term Financial Plan	20. Continue the process of revising the Long Term Financial Plan.	June 2016	EMCS	Completed.
	21. Once the update of the Long Term Financial Plan is complete, consider undertaking annual reviews of the plan and its projections to ensure data remains current and up-to-date, resulting in a rolling and evolving 10-year plan.	April 2017	EMCS	Plan being reviewed annually with adjustments carried out if necessary, updated 28/02/2019

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Statutory Ratios	22. Monitor the Operating Surplus Ratio and the Shire's expenditures to avoid any further deterioration of the continuing trend of decline of this ratio.	Ongoing	CEO	Ongoing, staff are currently focusing on these indicators and looking at developing strategies to improve performance as part of the development of the LTFFP. Recent and future projected ratios all meet minimum requirements established by the DLGC. February 2021 Update: Ongoing – no concerns to be reported.
	23. Consider reviewing the Shire's long term capital investment program to ensure asset renewal is maintained at an appropriate level with sufficient funding support.	Ongoing	CEO	Completed
	24. Consider reviewing the Shire's depreciation calculations to ensure depreciation expenses are accurate.	July 2016	EMCS	Completed, resulted in significant movements in depreciation to better reflect Council position.
Workforce Planning and HR Management				
Workforce Plan	25. Future revisions of the Workforce Plan should align with the rest of the Shire's Plan for the Future documentation, to ensure the most current Plan for the Future vision, mission statement, themes and objectives are captured.	December 2016	HRC	Workforce Plan adopted by Council on 18 December 2019.
Employee surveys	26. Investigate the appropriateness of conducting an employee survey and including results from the survey in the revised Workforce Plan.	October 2016	HRC	Staff Survey completed.

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Community and Consultation				
Tourism Plan	27. Continue the development of a local tourism plan/marketing strategy.	November 2016	EMCMS	The focus of the marketing plan has adjusted to become more a 'place / brand awareness' campaign which is under way with the READY.SET.GO
Reconciliation Action Plan (RAP)	28. Work with Reconciliation Australia to develop and adopt a Reconciliation Action Plan.	December 2016	EMCMS	<p>Council has appointed a Reconciliation Action Plan Working Group to develop the RAP along Reconciliation Guidelines.</p> <p>The First stage "REFLECT" RAP has been endorsed by Reconciliation Australia.</p>

6.6 PROGRESS TOWARDS THE OSH ACTION PLAN 2019

File Reference:	1.1.9.1
Reporting Officer:	Jason Whiteaker, Chief Executive Officer
Responsible Officer:	Jason Whiteaker Chief Executive Officer
Officer Declaration of Interest:	NIL
Voting Requirement:	Simple majority
Press release to be issued:	No

BRIEF

To provide Council with an update of the progress made towards the Occupational Safety and Health Action 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: OSH Action Plan.

A. BACKGROUND / DETAILS

The AS/NZS 4801:2001 Audit Report undertaken by LGIS in May 2019 has highlighted significant improvements pertaining to all aspects of Occupational Safety and Health at the Shire of Northam. The total 'average' score for the Shire of Northam was 72% which is higher than the previous audit result of 67% which was achieved in 2016.

As a consequence and to ensure that any shortfalls identified during the audit are addressed, the OSH Action Plan has been developed to ensure that required improvements are made in a timely manner. This Plan demonstrates the commitment of the Executive team together with the Occupational Safety & Health Committee to the achievement of a safe working environment.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area 6 Governance and Leadership

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.
Objective: Ensure robust financial management.

B.2 Financial / Resource Implications

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

B.3 Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.
Occupation Safety & Health Act 1984 and relevant subsidiary legislation.

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		
Health & Safety	Inadequate safety management systems in place due to non-completion of identified actions.	Insignificant(1) x Rare(1) = Low (1)	Monitoring the progress towards the actions which are regularly reported to the Audit Committee.
Reputation	Nil		
Service Interruption	Nil		
Compliance	Nil		
Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

The Shire, as an employer, must ensure that all employees and contractors across the entire scope of operations are considered and included in the application of occupational safety and health management systems.

As with all system-based programs there is opportunity for continuous improvement aligned with AS/NZS 4801 guidance specifications. The implementation of the recommendations contained in the audit report have

assisted the Shire of Northam to improve its current occupational safety and health performance.

Officers are working towards addressing the areas requiring attention whilst continuing the improvements already underway in order meet its occupational safety and health responsibilities into the future. The OSH Action Plan has been provided as Attachment 1 with an update of the progress made towards the actions.

Table Legend:

Completed

No Action

Underway

RECOMMENDATION

That Council receives the update as provided in Attachment 1 in relation to the progress made towards the OSH Action Plan.

Attachment 1 – Update on OSH Action Plan

Action item	Element No.	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
Management Commitment						
1	1.1		<i>There is a documented safety and health policy that is reviewed on a regular basis</i>	Ensure that all OSH Policies are identified (Policy Manual and Employee Induction Manual) and ensure that they align. Once this has been done ensure that the Policy is reviewed annually internally and this review is documented.	HR Manager	June 2020 Completed 29/4/20

2	1.3	<i>The Shire identifies and monitors safety and health legislation, codes of practice, guidance notes, agreements and guidelines relevant to its operations</i>	Develop a register that lists relevant legislation, codes of practice, guidance notes and Australian standards etc.	HR Manager	<p>June 2020</p> <p>Register created, awaiting responses from some Managers.</p> <p>February 2021 Update: Central list of legislation created, awaiting registration of documents by department managers.</p>
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Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
Planning						
3	2.1		<i>The Shire's approach to safety and health management is planned and reviewed</i>	Review the Safety Management Plan annually and ensure it is updated appropriately.	HR Manager	June 2020 Completed 29/4/20
4	2.2		<i>Specific safety and health objectives and measurable targets have been established for relevant functions</i>	Review objectives and targets set within the Safety Management Plan and ensure that they are relevant to the overall goal within the OSH Policy.	Executive Team HR Manager	February 2021 Update: Details of incidents, hazards, near misses together with number of Take 5's completed provided to Executive team monthly so that the effectiveness of processes can be measured.
5	2.3		<i>Arrangements are in place for people with special needs</i>	Develop a process for workers needs to be identified and assessed e.g. return-to-work programs when a worker has been deemed unfit / fit for work and / or a worker raising a medical issue / concern.	HR Manager	June 2020 Completed - Manage Return to Work Program Process created Sep 2019
6	2.5		<i>Policies and procedures for engaging and managing contractors are in place</i>	Develop a policy / procedure regarding the management of contractors.	HR Manager	June 2020 Completed May 2020

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
Consultation and Reporting						
7	3.6		<i>There are arrangements in place for the acquisition, provision and exchange of safety and health information with external parties, including customers, suppliers, contractors and relevant public authorities</i>	Ensure that records are kept when exchanging safety information with external parties. E.g. letters / notices to / from WorkSafe, DMIRS, Department of Health; correspondence with contractors (emails) etc.	HR Manager	Ongoing (Existing Records system)
8	3.7		<i>Consultative and reporting arrangements are regularly evaluated and modified where required</i>	Ensure that the consultation arrangements (e.g. number of Safety Representatives, how workers are consulted about safety) is evaluated annually and this evaluation is documented.	HR Manager	Ongoing – Regular item at OSH Committee meeting

Action item	Element No. (taken from checklist)	Finding (score)	Requirements from criteria	(taken	Actions to be taken	Responsibility	Due date
Hazard Management							
9	4.2		<i>Work environments are regularly inspected and hazards identified</i>		Review the process for workplace inspections to ensure that workplaces are being inspected regularly and the inspections are recorded adequately.	OSH Committee	Ongoing – Regular item at OSH Committee Meeting
10	4.2		<i>Work activities are analysed and hazards identified</i>		Review current development of SWMS.	OSH Committee	Ongoing – Regular item at OSH Committee Meeting
11	4.4		<i>Risk assessments are undertaken on identified hazards</i>		Ensure risk assessments are conducted for changes to the workplace, purchase / hire of new / used items and contracted services.	Executive Manager Corporate Services	Aiming to complete June 2021. February 2021 Update: No progress.
12	4.6		<i>The effectiveness of the hazard identification, risk assessment and risk control process is periodically reviewed and documented</i>		Ensure that a review of the hazard management process is conducted to establish its effectiveness.	HR Manager	June 2020 Completed May 2020

Action item	Element No.	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
Training and Supervision						
13	5.6		<i>The training program is evaluated and reviewed</i>	Ensure that feedback (evaluations) regarding training courses is obtained and recorded. Ensure that the overall training program is reviewed annually.	Safety Officer	Ongoing Training records currently being entered into Microsoft Access, Feedback form to be reviewed. February 2021 Update: Since COVID only essential training is being undertaken.
14	5.7		<i>Supervision is undertaken by people with appropriate safety and health knowledge, skills and experience</i>	Ensure that safety and health performance criteria is developed and implemented for supervisors and managers etc.	HR Manager	Completed May 2020 OSH Performance Criteria entered into Workplace Guidelines

6.7 RISK REGISTER

File Reference:	8.2.7.1
Reporting Officer:	Jason Whiteaker, Chief Executive Officer
Responsible Officer:	Jason Whiteaker, Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple majority
Press release to be issued:	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

Theme Area 6: Governance & Leadership.

Outcome 6.4: The Elected Members of the Shire of Northam provide accountable, strong and effective community leadership.

Objective: Develop clear policy settings to guide our organisation and community.

B.2 Financial / Resource Implications

Council allocates \$27,150 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

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 126 risk mitigation/treatment strategies, of which 6 are overdue (which equates to 4.77%)

2.1 TREATMENT MC00049

100% of annual performance reviews undertaken.

2.2 TREATMENT MC00043

OHS Committee Meeting Regularly.

2.3 TREATMENT MC00042

Implement recommendations from OHS Audit & Report to Audit & Risk Committee.

2.4 TREATMENT MC00107

Ensure asset management plan financial requirements are included in long term financial plan.

2.5 TREATMENT MC00095

Undertake Workplace Safety Inspections - Undertake Inspection. OSH inspections undertaken for each site.

2.6 TREATMENT MC00102

Fraud Control Plan in place (refer OAG 2019/20 Report 5 - Fraud Prevention).

RECOMMENDATION

That Council receives the February 2021 Shire of Northam Risk Register update.

Attachment 1 - Overdue/Non-compliant Risks

Overdue / Non-Compliant Risks



Filter: Overdue / Non-compliant

RESIDUAL 4.8 MODERATE INHERENT 16.0 R00022	CHIEF EXECUTIVES OFFICE, HEALTH & SAFETY - OCCUPATIONAL Inadequate safety and security practices Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are: <ul style="list-style-type: none"> Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants. Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc). Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc). Public Liability Claims, due to negligence or personal injury. Employee Liability Claims due to negligence or personal injury. Inadequate or unsafe modifications to plant & equipment OWNER Jason Whiteaker CREATED 01/07/2019 14:46:30 LIKELIHOOD Likely SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00041 Undertake OHS Audit TREATMENT MC00042 Implement recommendations from OHS Audit & Report to Audit & Risk Committee TREATMENT MC00043 OHS Committee Meeting Regularly TREATMENT MC00044 Toolbox meetings occurring and discussing safety (attach minutes/notes to sign off) TREATMENT MC00045 Senior Management Meeting (where the OSH system is reviewed and KPI's are measured as an agenda item) TREATMENT MC00046 OHS Policy Framework in place and reviewed TREATMENT MC00095 Undertake Workplace Safety Inspections - Undertake Inspection OSH inspections undertaken for each site.	SIGNOFF(S): Beverley Jones DUE DATE: 01 Sep 2021 FREQUENCY: The first Day of every 24 months OVERDUE SIGNOFF(S): Beverley Jones DUE DATE: 31 Jan 2021 FREQUENCY: The last Day of every 4 months OVERDUE SIGNOFF(S): Beverley Jones DUE DATE: 31 Dec 2020 FREQUENCY: The last Day of every 3 months SIGNOFF(S): Clinton Kleynhans DUE DATE: 28 Feb 2021 FREQUENCY: The last Day of every month SIGNOFF(S): Jason Whiteaker DUE DATE: 31 Mar 2021 FREQUENCY: The last Day of every 6 months SIGNOFF(S): Beverley Jones DUE DATE: 31 Aug 2021 FREQUENCY: The last Day of every 12 months OVERDUE, CHANGE(S) PENDING SIGNOFF(S): Reshma Jahmeerbacus Clinton Kleynhans Jason Whiteaker DUE DATE: 31 Jan 2021 FREQUENCY: The last Day of every month
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RESIDUAL 3.6 LOW INHERENT 12.0 R00035	CHIEF EXECUTIVES OFFICE, COMPLIANCE - LEGISLATIVE, REPUTATION - COMMUNITY, REPUTATION - INDUSTRY Misconduct/Fraud Intentional activities (including fraud) in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of: <ul style="list-style-type: none"> • Relevant authorisations not obtained. • Distributing confidential information. • Accessing systems and / or applications without correct authority to do so. • Misrepresenting data in reports. • Theft by an employee • Collusion between Internal & External parties This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice. OWNER Jason Whiteaker CREATED 02/07/2019 14:09:25 LIKELIHOOD Possible SEVERITY Major CONTROL EFFECTIVENESS Strong	TREATMENT MC00007 Manage Inductions - Conduct New Employee Induction All new employees are provided with adequate inductions TREATMENT MC00059 Induction & Training provided to elected members TREATMENT MC00086 Manage Inductions - Conduct New Employee Induction Induction of new employees into the organisation assists in creating an expectation in terms of what is required TREATMENT MC00087 Manage Purchasing - Request approval Process minimises opportunity for misconduct TREATMENT MC00102 Fraud Control Plan in place (refer OAG 2019/20 Report 5 - Fraud Prevention)	CHANGE(S) PENDING SIGNOFF(S): Nadege Vinicombe DUE DATE: 26 Feb 2021 FREQUENCY: Fri every week SIGNOFF(S): Cheryl Greenough DUE DATE: 30 Nov 2021 FREQUENCY: The last Day of every 24 months CHANGE(S) PENDING SIGNOFF(S): Beverley Jones DUE DATE: 01 Sep 2021 FREQUENCY: The first Day of every 12 months CHANGE(S) PENDING SIGNOFF(S): Reshma Jahmeerbacus Kristy Hopkins DUE DATE: 01 Oct 2021 FREQUENCY: The first Day of every 12 months NON-COMPLIANT SIGNOFF(S): Cheryl Greenough Reshma Jahmeerbacus DUE DATE: 18 Feb 2021 FREQUENCY: The last Day of every 24 months
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RESIDUAL 3.0 LOW	ENGINEERING SERVICES, SERVICE INTERRUPTION		TREATMENT MC00106	SIGNOFF(S):	John Rutherford
	PPOSAMP Service Levels Interruption Identify and budget for assets reaching end of life there will likely be service interruptions with delayed replacement timeframes.		Review Asset Management plan every two years.	DUE DATE:	01 Oct 2022
				FREQUENCY:	The first Day of every 24 months
INHERENT 10.0 R00054	OWNER John Rutherford		TREATMENT MC00107	OVERDUE SIGNOFF(S):	John Rutherford
	CREATED 02/12/2020 09:37:11		Ensure asset management plan financial requirements are included in long term financial plan	DUE DATE:	31 Jan 2021
	LIKELIHOOD Almost Certain			FREQUENCY:	The last Day of every 12 months
	SEVERITY Minor		TREATMENT MC00108	SIGNOFF(S):	John Rutherford
	CONTROL EFFECTIVENESS Strong		Ensure asset management plan financial requirements are included in annual budget	DUE DATE:	01 Jun 2021
				FREQUENCY:	The first Day of every 12 months

RESIDUAL
2.7
LOW

INHERENT
9.0

R00003

CHIEF EXECUTIVES OFFICE, STRATEGIC - ORGANISATIONAL

Ineffective People Management / Employment Practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

OWNER Jason Whiteaker

CREATED 06/05/2019 13:23:01

LIKELIHOOD Possible

SEVERITY Medium

CONTROL EFFECTIVENESS Strong

TREATMENT MC00007

Manage Inductions - Conduct New Employee Induction
All new employees are provided with adequate inductions

TREATMENT MC00049

100% of annual performance reviews undertaken

TREATMENT MC00050

Manage Employee Termination - Receive notification
Ensuring that employee terminations are managed appropriately and equitably to minimise risk of further action

TREATMENT MC00051

Manage Staff Training - Identify Training Needs
Ensure staff training needs are identified and met

TREATMENT MC00052

Manage Employee Discipline / Misconduct - Receive Notification / Identify Misconduct
Ensure any / all staff misconduct in managed effectively and consistently

CHANGE(S) PENDING

SIGNOFF(S): Nadege Vinicombe

DUE DATE: 26 Feb 2021

FREQUENCY: Fri every week

OVERDUE

SIGNOFF(S): Beverley Jones

DUE DATE: 31 Dec 2020

FREQUENCY: The last Day of every 12 months

CHANGE(S) PENDING

SIGNOFF(S): Beverley Jones

DUE DATE: 01 Apr 2021

FREQUENCY: The first Day of every 3 months

CHANGE(S) PENDING

SIGNOFF(S): Beverley Jones

DUE DATE: 31 Oct 2021

FREQUENCY: The last Day of every 12 months

CHANGE(S) PENDING

SIGNOFF(S): Beverley Jones

DUE DATE: 01 Apr 2021

FREQUENCY: The first Day of every 3 months

6.8 COMPLIANCE AUDIT RETURN 2020

File Reference:	1.6.1.6
Reporting Officer:	Cheryl Greenough, Coordinator Governance / Administration
Responsible Officer:	Colin Young, Executive Manager Corporate Services
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

This report provides an overview of the external audit conducted on the 2020 Compliance Audit Return (CAR) as required by Regulation 17 of the *Local Government Audit Regulations 1996*.

ATTACHMENTS

Attachment 1: Report from Butler Settineri.

A. BACKGROUND / DETAILS

A Local Government is required to carry out a Compliance Audit for the period 1 January to 31 December each year. The compliance review process provides the CEO and Council with an additional element of accountability through a rigorous check on internal management systems, procedures and record keeping.

The Compliance Audit Return is to be completed with a certified copy signed by the CEO and President and submitted to the Director General, Department of Local Government and Regional Development by 31 March.

The Compliance Audit Return must:

1. initially be presented to the Audit Committee,
2. be presented to Council at the Ordinary Council meeting,
3. be adopted by the Council; and
4. be recorded in the minutes of the meeting at which it is adopted.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme 6: Governance and Leadership

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

Objective: Maintain a high standard of corporate governance

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 took part in the review conducted by Butler Settineri.

B.6 Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	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	It is a Legislative requirement which Council must adhered to.	Likely (4) x Medium (3) = High (12)	A monthly Compliance Calendar assists the Shire to ensure Legislation is adhered to
Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

The standard of compliance in 2020 was not quite as high as previous years. Although each year the Shire strives to improve the services provided to internal and external stakeholders, 2020 was a very difficult year for everyone.

The difficulties faced by staff included managing COVID-19, staff working from home and moving from a paper driven office to a paperless office aiming to provide more flexibility.

This year there were eleven (11) categories with a total of one hundred and two (102) questions.

1. Commercial Enterprises (5 questions)– As there were none for 2020 there is 100% compliance.
2. Delegation of Power/Duty (13 questions)– 100% compliance
3. Disclosure of Interests (21 questions) – 100% compliance
4. Disposal of Property – (2 questions) 50% compliance as some of the advertisements for the sale of property were not completed in line with s3.58 of the Act.
5. Elections – (3 questions) 66.66% compliance. The Electoral Gift Register should have been a separate register with disclosures of gifts retained until the elected member completes their term of office.
6. Finance – (11 questions) 100% compliance
7. Integrated Planning and Reporting – (3 questions) 100% compliance
8. Local Government Employees – (6 questions) 100% compliance
9. Official Conduct – (4 questions) 100% compliance
10. Optional Questions – (10 questions) 100% compliance
11. Tenders and Providing Goods and Services – (24 questions) 91.6% compliance. Two tenders were not opened correctly, only using one officer instead of two officers.

RECOMMENDATION

That Council

1. **Accept the report as submitted by Butler Settineri; and**
2. **Adopt the attached 2020 Audit Compliance Return as required, prior to submission to the Department of Local Government, Sport and Cultural Industries.**

Attachment 1

BUTLERSETTINERI
Real People. Better Business

25 February 2021

Mr J Whiteaker
Chief Executive Officer
Shire of Northam
395 Fitzgerald Street
NORTHAM WA 6401

Dear Jason

**SHIRE OF NORTHAM
COMPLIANCE AUDIT RETURN 2020**

We have completed the compliance return audit and attach the Return for approval.

We have conducted our engagement in accordance with the Standards on Related Services ASRS 4400 *Agreed-Upon Procedures Engagements to Report Factual Findings*.

We have performed the following procedures and report to you the factual findings resulting from our work:

- a) Through enquiry and inspection of supporting documentation we have confirmed whether the Shire has complied with the Local Government Act 1995 and Regulations relevant to the requirements of the Compliance Audit Return issued by the Department of Local Government, Sport and Cultural Industries for the year ended 31 December 2020; and
- b) Prepared the Compliance Return in accordance with Regulation 14 of the Local Government (Audit) Regulations 1996.

Factual Findings:

The Shire has complied with most of the compliance requirements, however the following non-compliance issues have been noted in the return:

1. Disposal of Property – question 2 - The advertisements for three lots for sale did not contain the names of all the parties, the consideration and the market value as required by Section 3.58 (3) and (4) of the Local Government Act 1995.
2. Elections – question 3 - A separate electoral gift register is not published on the Shire's official website as required by Elect Reg 30G(6).

3. Tenders for providing goods and services – question 7 and 19 – One tender document was opened by one official, the regulations require two.

We would like to thank Cheryl Greenough and the other Shire officials that provided information for their assistance during the audit.

Yours sincerely
BUTLER SETTINERI (AUDIT) PTY LTD



MARCIA JOHNSON CA
Director



Department of
Local Government, Sport
and Cultural Industries

Northam - Compliance Audit Return 2020

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020?	N/A	No major trading undertakings in 2020	BUTLER SETTINERI
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A	No major land undertakings in 2020	BUTLER SETTINERI
3	s3.59(2)(c) F&G Regs 7,8,10	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 2020?	N/A	None undertaken	BUTLER SETTINERI
4	s3.59(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 2020?	N/A	No major trading or land transactions for 2020	BUTLER SETTINERI
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	As above	BUTLER SETTINERI



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	Delegation to Local Business Support Committee (LBSC) was approved through resolution C.3932 at a special meeting 13/5/20	BUTLER SETTINERI
2	s5.16	Were all delegations to committees in writing?	Yes	As above	BUTLER SETTINERI
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes	Originally the LBSC was appointed in April 2020 but contained employees and therefore could not have delegated authority, that decision was revoked 13/5/20 to allow for delegation of Council powers	BUTLER SETTINERI
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	Recorded in the delegations register C01	BUTLER SETTINERI
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	Yes	Delegations were reviewed in the Ordinary Council Minutes dated 17/6/20	BUTLER SETTINERI
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes	This was clarified in the report for the Ordinary Council Minutes dated 17/6/20	BUTLER SETTINERI
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		BUTLER SETTINERI
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	These were included in the Minutes and the delegations register	BUTLER SETTINERI
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		BUTLER SETTINERI
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		BUTLER SETTINERI
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		BUTLER SETTINERI
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	Yes	The delegations register was reviewed at the Ordinary Council meeting 17/6/20 and approved in resolution C.3955	BUTLER SETTINERI
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		BUTLER SETTINERI



Department of
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Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		BUTLER SETTINERI
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes		BUTLER SETTINERI
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		BUTLER SETTINERI
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		BUTLER SETTINERI
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	Yes		BUTLER SETTINERI
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes	The CEO gave written acknowledgement to all staff and Councillors who were required to lodge an annual return. The President gave written acknowledgement to the CEO	BUTLER SETTINERI
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		BUTLER SETTINERI
8	s5.88(1) & (2)(b) Admin Reg 28	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, in the form prescribed in Admin Reg 28?	Yes		BUTLER SETTINERI
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		BUTLER SETTINERI
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) 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?	Yes		BUTLER SETTINERI
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		BUTLER SETTINERI
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		BUTLER SETTINERI



13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		BUTLER SETTINERI
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		BUTLER SETTINERI
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes		BUTLER SETTINERI
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?	Yes		CHERYL GREENOUGH
17	s5.70(2) & (3)	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?	Yes	The disclosures were noted in the Council Meeting Minutes.	BUTLER SETTINERI
18	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) 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?	N/A	No matters arose during 2020	BUTLER SETTINERI
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A	As above	BUTLER SETTINERI
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	Yes	A Code of Conduct for both employees and Councillors as two separate documents at the Council meeting held 21/10/20 resolution C.4052	BUTLER SETTINERI
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes		BUTLER SETTINERI



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Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	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) (unless section 3.58(5) applies)?	Yes		BUTLER SETTINERI
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	No	The advertisements for three lots for sale did not contain the names of all parties, the consideration or the market value	BUTLER SETTINERI

Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	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?	N/A	No election in 2020	BUTLER SETTINERI
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A		BUTLER SETTINERI
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	No	A separate electoral gift register is not placed on the website but is amalgamated with the staff gift register.	BUTLER SETTINERI



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Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	The Audit Committee was elected 20/11/19	BUTLER SETTINERI
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	The Audit Committee does not have delegated authority	BUTLER SETTINERI
3	s7.3(1) & s7.6(3)	Was the person or persons appointed by the local government to be its auditor appointed by an absolute majority decision of council?	N/A	The Auditor General has been appointed by legislation	BUTLER SETTINERI
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	N/A	As above	BUTLER SETTINERI
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	Yes	The audit report has been received and signed at the Council meeting 22/12/20	BUTLER SETTINERI
6	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	No actions were required	BUTLER SETTINERI
7	s7.12A(4)(a)	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?	N/A	No issues noted in the audit report	BUTLER SETTINERI
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A		BUTLER SETTINERI
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes	The annual report was uploaded to the Shire's website 24/12/20	BUTLER SETTINERI
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes		BUTLER SETTINERI
11	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		BUTLER SETTINERI



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The strategic community plan was adopted 16/8/17 Item 12.1.1 Motion C.3105	BUTLER SETTINERI
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The corporate business plan was adopted 17/6/20	BUTLER SETTINERI
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		BUTLER SETTINERI
Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	Jason Whiteaker has been CEO since 2013, no new CEO has been appointed during the year	BUTLER SETTINERI
2	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Vacancy for a senior employee was advertised.	BUTLER SETTINERI
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		BUTLER SETTINERI
4	Admin Reg 18F	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)?	N/A		BUTLER SETTINERI
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		BUTLER SETTINERI
6	s5.37(2)	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?	N/A		BUTLER SETTINERI



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	The Executive Manager Corporate Services has been appointed as complaints officer. As of 21/10/20 he is no longer a senior employee, however s5.120 doesn't require the complaints officer to be a senior employee	BUTLER SETTINERI
2	s5.121(1)	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)?	Yes		BUTLER SETTINERI
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2)?	Yes		BUTLER SETTINERI
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		BUTLER SETTINERI



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Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report.	Yes	The financial management review was presented to the Audit Committee 9/10/19 and adopted at the Ordinary Council meeting 16/10/19 C.3779	BUTLER SETTINERI
2	Audit Reg 17	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 Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes	18/12/2019 C.3838	BUTLER SETTINERI
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	N/A	No disclosures made	BUTLER SETTINERI
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	N/A	As above	BUTLER SETTINERI
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	Yes	At the Ordinary Council meeting 18/11/20 resolution C.4081	BUTLER SETTINERI
6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	Yes		BUTLER SETTINERI
7	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		BUTLER SETTINERI
8	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	At the Ordinary Council meeting 18/11/20 C.4081	BUTLER SETTINERI
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes		BUTLER SETTINERI
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes		BUTLER SETTINERI



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Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		BUTLER SETTINERI
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy 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?	Yes		BUTLER SETTINERI
3	s3.57 F&G Reg 11	Subject to F&G Reg 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 F&G Reg 11(1)?	Yes		BUTLER SETTINERI
4	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		BUTLER SETTINERI
5	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	The Shire did not enter into multiple contracts	BUTLER SETTINERI
6	F&G Reg 14(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?	N/A	As above	BUTLER SETTINERI
7	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	No	It was noted that one tender was opened by only one person	BUTLER SETTINERI
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		BUTLER SETTINERI
9	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A	All tenders were received through correct channels in a timely manner	BUTLER SETTINERI
10	F&G Reg 18(4)	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?	Yes		BUTLER SETTINERI
11	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the	Yes		BUTLER SETTINERI



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		successful tender or advising that no tender was accepted?			
12	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A	None were called under these regulations	BUTLER SETTINERI
13	F&G Reg 23(1) & (2)	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?	N/A	As above	BUTLER SETTINERI
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A	As above	BUTLER SETTINERI
15	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?	N/A	As above	BUTLER SETTINERI
16	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A	As above	BUTLER SETTINERI
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	Yes		BUTLER SETTINERI
18	F&G Reg 24AD(6)	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?	Yes		BUTLER SETTINERI
19	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	No	Tender 12of2020 requesting a panel for fire mitigation was opened only by one person.	BUTLER SETTINERI
20	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	Yes		BUTLER SETTINERI
21	F&G Reg 24AH(1)	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?	N/A		BUTLER SETTINERI
22	F&G Reg 24AH(3)	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?	Yes		BUTLER SETTINERI
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes		BUTLER SETTINERI



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24	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes	The Shire established a local price preference policy 30/3/20 C.3911. The policy defines who qualifies and is on the website for public access.	BUTLER SETTINERI
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I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed: CHRISTOPHER ANTONIO
President, Shire of Northam

Signed: JASON WHITEAKER
CEO, Shire of Northam

6.9 SIGNIFICANT WORKERS COMPENSATION CLAIMS

File Reference:	8.2.4.4
Reporting Officer:	Bev Jones, HR Manager
Responsible Officer:	Jason Whiteaker, CEO
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	No

BRIEF

For Council to receive a report on significant workers compensation claims over the past three years.

ATTACHMENTS

Nil.

A. BACKGROUND / DETAILS

Council has identified a target of less than 15 for the organisations Lost Time Injury Frequency Rate (LTIFR). Over the past two financial years, the organisations LTIFR has significantly exceeded Council's target. See below table which identifies the previous LTI's:

	2017/2018	2018/2019	2019/2020
Lost Time Injury Rate	5.1	25.6	30.7
Number of Lost Time Injuries	1	5	6
Most costly injuries	Right Knee Injury	Right shoulder injury Rotator cuff tear, right shoulder Rotator cuff tear, left shoulder	Injury to lower back Right shoulder muscular stress Right hand and knee strain
Investigation findings	Lost footing when climbing out of vehicle, processes followed	1. Manual handling related injury. Requested manual handling assessment by	1. Claimant ignored instruction resulting in injury. Employed for 4 only weeks before incident,

		<p>insurers LGIS on Rangers loading animals into vehicle, new vehicle purchased with built in ramp.</p> <p>2. Incorrect use of crowbar and failure to wet the ground. Claimant instructed to use crowbar correctly as this is the correct tool for the task of breaking the ground.</p> <p>3. Incorrect use of crowbar and failure to wet the ground. Claimant advised not to use crowbar for breaking ground.</p>	<p>subsequently terminated in line with WorkCover requirements.</p> <p>2. Claimant was unaware of decompression process for starting pressure washer. Training will be provided upon recommencement of duties.</p> <p>3. Dismounted vehicle without using correct 3 points of contact, guidance to claimant in relation to the correct procedure provided by Manager and Safety Officer.</p>
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This financial year to date the LTIFR at the Shire of Northam is 15.3 with 3 lost time injuries. These consist of:

- Right Shoulder Injury
- Cut to Left Arm
- Hamstring Strain

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme 6: Governance and Leadership

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

Objective: Ensure robust financial management.
Maintain a high standard of corporate governance.
Encourage active community participation in our local government.

B.2 Financial / Resource Implications

Council has budgeted for workers compensation premiums within each of the service areas.

Council has budgeted \$250,000 revenue in 2021/21 for workers compensation claims.

B.3 Legislative Compliance

Occupation Safety & Health Act, associated regulations and standards.

B.4 Policy Implications

Nil.

B.5 Stakeholder Engagement / Consultation

Nil.

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	<ul style="list-style-type: none"> Public Liability Claims, due to negligence or personal injury. Employee Liability Claims due to negligence or personal injury. Organisation is exposed to financial loss due to failure to renew insurance or renew it with adequate cover. 	Extreme (5) x Almost Certain (5) = Extreme (25)	<ul style="list-style-type: none"> Ensure regular workplace inspections are undertaken. Ensure the OSH Committee meets regularly. Undertake an OSH Audit. Implement recommendations from OSH Audit. Ensure safety meetings are held with staff. Ensure staff are appropriately trained when operating/using Shire property. Ensure plant and equipment is maintained. Ensure Take 5 assessments are undertaken as required. Ensure hazard reporting processes are in place. Ensure insurance coverage is reviewed internally and externally.

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Health & Safety	<ul style="list-style-type: none"> Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants. Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc). Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc). High volume of LIT's. 	Major (4) x Likely (4) = High (16)	<ul style="list-style-type: none"> Ensure regular workplace inspections are undertaken. Ensure the OSH Committee meets regularly. Undertake an OSH Audit. Implement recommendations from OSH Audit. Ensure safety meetings are held with staff. Ensure staff are appropriately trained when operating/using Shire property. Ensure plant and equipment is maintained. Ensure Take 5 assessments are undertaken as required. Ensure hazard reporting processes are in place. Ensure Safe Work method Statements (SWMS) are developed and acknowledged by staff. Senior Management Meeting (where the OSH system is reviewed and KPI's are measured). OSH Policy Framework in place and reviewed.
Reputation	Nil.		
Service Interruption	Delays associated with loss of staff due to LTI's.	Major (4) x Likely (4) = High (16)	<ul style="list-style-type: none"> Ensure regular workplace inspections are undertaken. Ensure the OSH Committee meets regularly. Undertake an OSH Audit.

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
			<ul style="list-style-type: none"> • Implement recommendations from OSH Audit. • Ensure safety meetings are held with staff. • Ensure staff are appropriately trained when operating/using Shire property. • Ensure plant and equipment is maintained. • Ensure Take 5 assessments are undertaken as required. • Ensure hazard reporting processes are in place. • Ensure Safe Work method Statements (SWMS) are developed and acknowledged by staff.
Compliance	Non-compliance with the Occupation Safety & Health Act, associated regulations and standards.	Major (4) x Likely (4) = High (16)	<ul style="list-style-type: none"> • Ensure regular workplace inspections are undertaken. • Ensure the OSH Committee meets regularly. • Undertake an OSH Audit. • Implement recommendations from OSH Audit. • Ensure safety meetings are held with staff. • Ensure staff are appropriately trained when operating/using Shire property. • Ensure plant and equipment is maintained. • Ensure Take 5 assessments are undertaken as required.

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
			<ul style="list-style-type: none"> • Ensure hazard reporting processes are in place. • Ensure Safe Work method Statements (SWMS) are developed and acknowledged by staff.
Property	<ul style="list-style-type: none"> • Damage to property as a result of an OSH incident. • Inadequate or unsafe modifications to plant & equipment. 	Major (4) x Likely (4) = High (16)	<ul style="list-style-type: none"> • Ensure safety meetings are held with staff. • Ensure staff are appropriately trained when operating/using Shire property. • Ensure regular workplace inspections are undertaken. • Ensure plant and equipment is appropriately maintained. • Ensure Take 5 assessments are undertaken as required. • Ensure hazard reporting processes are in place.
Environment	Nil.		

C. OFFICER'S COMMENT

Officers have implemented a range of risk management actions which have been detailed within B.6 of this report.

On the most recent OSH Audit, Council scored 72% which is higher than the previous audit result of 67% which was achieved in 2016.

As is evident from the information provided, the claims are primarily around sprains & strains. The Shire of Northam Executive Group, and the Occupational Health & Safety Committee have been aware of this for a long period of time. This being the case a range of initiatives are in place, unfortunately this has not resulted in a reduction in LTI's.

- Risk assessments (SWMS) have been implemented for all manual tasks throughout the organisation. All staff are required to acknowledge and

- sign all SWMS relevant to their duties and to review all those SWMS on a regular basis (completion is SWMS is audited randomly by Safety Officer).
- Take 5's are completed by all staff for all manual tasks before commencement of work in each area. This reminds staff to consider the hazards in each location. The Safety Officer reports the number of Take 5's completed each month to the Executive team to enable them to identify non-compliant areas of the organisation.
 - The Safety Officer conducts regular task observations to ensure that staff are carrying out tasks in a safe manner. A report for each observation is provided to the relevant Manager and Executive Manager.
 - The Safety Officer conducts systems observations to ensure that safety related processes are being followed, the results of these observations are also provided to the relevant Manager and Executive Manager.
 - Manual handling training is provided to all staff by insurers LGIS.
 - The Safety Officer addresses the results of observations at toolbox meetings to raise awareness of the importance of following safety procedures.
 - Both the Executive team and the OSH Committee review injuries, incidents, hazards and near misses on a regular basis to identify trends.
 - All staff undertake a safety induction before commencing employment to make them aware of the Shire processes and requirements.
 - LGIS Health and wellbeing funding was recently used to carry out occupational fitness assessments on all Depot outdoor staff. TH results of these assessments was used to tailor a fitness program designed to improve the level of fitness throughout the crew. This will hopefully improve fitness which should in turn improve productivity, reduce injuries, and reduce absenteeism.

In addition to the proactive initiatives put in place, the Executive Manager Group instigated a process whereby ALL lost time injuries are investigated prior to approval. Unfortunately, due to the no fault system in place for workers compensation in Western Australia, while the risk can be manager, they cannot be eliminated as the employee has to take responsibility for their actions.

In each of the lost time injuries over the past three years, investigations have shown that the proactive initiatives have been actioned, yet the injuries have still occurred – which is a source of frustration.

There have been no injuries that have resulted in the involvement of Worksafe, however Worksafe have been notified of all injury related absences of 10 days or more in line with legislative requirements.

RECOMMENDATION

That Council receive the update on workers compensation claims.

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 27 May 2021 at 5:00pm.

9. DECLARATION OF CLOSURE