



Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Minutes**

### **Audit & Risk Management**

### **Committee Meeting**

**5 March 2020**

UNCONFIRMED

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## 1. DECLARATION OF OPENING

The Shire President, Cr C R Antonio declared the meeting open at 4:05pm

## 2. ATTENDANCE

### Committee:

Shire President  
Councillors

Cr C R Antonio  
Cr A J Mencshelyi  
Cr S B Pollard  
Cr M P Ryan arrived at  
4:07pm.

### Staff:

Chief Executive Officer  
Executive Manager Corporate Services  
Executive Assistant – CEO  
Payroll Officer  
Accountant

J B Whiteaker  
C Young  
A McCall  
J Grant  
Z Macdonald

### Guest:

Office of the Auditor General (phone)  
Moore Stephens (phone)

Anne Lei left at 4:33pm.  
Greg Godwin left at 4:33pm.  
Gilles Chan left at 4:33pm.

### 2.1 APOLOGIES

Nil.

### 2.2 APPROVED LEAVE OF ABSENCE

Nil.

## 3. DISCLOSURE OF INTERESTS

Nil.

#### 4. CONFIRMATION OF MINUTES

##### 4.1 COMMITTEE MEETING HELD ON 12 DECEMBER 2019

###### RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.143

Moved: Cr Mencshelyi  
Seconded: Pollard

That the minutes of the Audit & Risk Management Committee meeting held on 12 December 2019 be confirmed as a true and correct record of that meeting.

CARRIED 3/0

Cr M P Ryan entered the meeting at 4:07pm

## 5. COMMITTEE REPORTS

### 5.1 AUDIT ENTRANCE MEETING

<b>Address:</b>	N/A
<b>Owner:</b>	N/A
<b>Applicant:</b>	N/A
<b>File Reference:</b>	8.2.7.5
<b>Reporting Officer:</b>	Executive Manager Corporate Services Colin Young
<b>Responsible Officer:</b>	Executive Manager corporate Services Colin Young
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	N/A
<b>Press release to be issued:</b>	No

#### BRIEF

For Council to meet with a representative from the Office of Auditor General to discuss the 2019/20 Audit Scope and Procedures.

#### ATTACHMENTS

Attachment 1: Audit Plan Memorandum (provided as a separate confidential attachment to this agenda/minutes).

#### A. BACKGROUND / DETAILS

As per changes to the Local Government Act 1995 and the Local Government (Audit) Regulations 1996, last year July 2018 Council was audited by the Office of Auditor General for the first time. As part of the audit procedures an audit entrance meeting is required.

#### 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.

##### 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.  
 Local Government (Audit) Regulations 1996

**B.4 Policy Implications**

N/A

**B.5 Stakeholder Engagement / Consultation**

N/A

**B.6 Risk Implications**

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

**C. OFFICER'S COMMENT**

Anne Lei from the Office of Auditor General will attend via phone conference along with Greg Goodwin from Moore Stephens whom will be carrying out the audit on behalf of the Office of Auditor General.

Anne/Greg will brief the Committee on changes that are due to take effect to the Australian Accounting Standards, Committee members & staff will then be giving the opportunity to ask questions to Anne or Greg about the upcoming audit procedures.

**RECOMMENDATION**

**For information only.**

Ms Lei, Mr Godwin and Mr Chan left the meeting at 4:33pm.

The Chief Executive Officer entered the meeting at 4:33pm.

## 5.2 LEAVE LIABILITY POLICY

Address:	N/A
Owner:	N/A
Applicant:	N/A
File Reference:	2.3.1.2
Reporting Officer:	Colin Young, Executive Manger corporate Services
Responsible Officer:	Colin Young, Executive Manger corporate Services
Officer Declaration of Interest:	Yes
Voting Requirement:	Simple Majority
Press release to be issued:	No

### BRIEF

For the Committee to review the proposed Annual and Long Service Leave Liability Policy (F4.6).

### ATTACHMENTS

Attachment 1: F4.6 Annual and Long Service Leave policy

### A. BACKGROUND / DETAILS

At the Audit Committee meeting held on the 9 October 2019 the Committee requested that staff develop a policy to manage annual and long service leave, as per the motion below;

#### RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.132

Moved: Cr Antonio

Seconded: Cr Mencshelyi

That Council:

1. Receives the Australasian LG Performance Excellence Program FY18; and
2. Requests that the CEO arrange a workshop to discuss the outstanding rate debt.
3. Request the CEO to present a policy to Council to manage employee annual and long service leave.

CARRIED 2/0



## 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.

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

N/A

### B.3 Legislative Compliance

Local Government Act 1995 section 2.7. Role of council

- (1) The council —
  - (a) governs the local government's affairs; and
  - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to —
  - (a) oversee the allocation of the local government's finances and resources; and
  - (b) determine the local government's policies

### B.4 Policy Implications

New Shire of Northam Policy will be created if adopted.

### B.5 Stakeholder Engagement / Consultation

N/A.

### B.6 Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Potential financial exposure in the event large amounts of leave are accrued	Minor (2) x possible (3) = 6	Ensure Council has sufficient funds in leave liability reserve, implementation of this policy
Health & Safety	Nil	N/A	N/A
Reputation	Nil	N/A	N/A

Service Interruption	Nil	N/A	N/A
Compliance	Nil	N/A	N/A
Property	Nil	N/A	N/A
Environment	Nil	N/A	N/A

### C. OFFICER'S COMMENT

It is believed that the policy as presented is fair to employees and gives Council a means of managing Annual & Long service leave Liability.

#### RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.144

Moved: Cr Mencshelyi

Seconded: Cr Ryan

That Council adopts policy F4.6 Annual and Long Service Leave

**CARRIED 4/0**

## ATTACHMENT 1

### F 4.6 Annual and Long Service Liability

<i>Responsible Department</i>	Corporate Services
<i>Resolution Number</i>	C.
<i>Resolution Date</i>	2020
<i>Next Scheduled Review</i>	2022
<i>Related Shire Documents</i>	N/A
<i>Related Legislation</i>	Local Government (Long Service Leave) Regulations 8 (2);

#### OBJECTIVE

The purpose of this policy is to establish employee maximum annual and long service leave liabilities for the Shire of Northam.

#### SCOPE

Applies to all employees.

#### POLICY

Each year the accrued liability for annual and long service leave for that year is calculated on the presumption that all employees remain in service.

##### 1. Annual Leave

Employees are to accrue no more than 40 days annual leave.

Effective as of the date this policy is adopted by Council

Current employees affected with a balance over 40 days will be given a twelve month period to effect an arrangement to reduce their annual leave to below the 40 days.

##### 2. Long Service Leave

Employees are to take long service leave capped at 11 years, any future increases in pay beyond that date will not apply to the rate of pay when long service is taken.

Effective as of the date this policy is adopted by Council

Current employees affected with a balance over the 11 years cap will be given a twelve month period to effect an arrangement to take their long service leave.

3. The CEO has the discretion to vary the conditions at clauses 1 and 2 if one of the following conditions are met;
  - a. A suitable leave plan is presented to the CEO
  - b. Due to the orderly carrying out of Shire business leave can not be taken in accordance to clauses 1 & 2 and agreed by the CEO
  - c. Extenuating circumstances (e.g. pending retirement, major operation expected to be carried out, date pending)

### 5.3 PROGRESS TOWARDS BETTER PRACTICE REVIEW REPORT

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	
<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Jason Whiteaker, Chief Executive Officer
<b>Responsible Officer:</b>	Jason Whiteaker, Chief Executive Officer
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple majority
<b>Press release to be issued:</b>	No

#### BRIEF

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.

**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**

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	Nil		
Property	Nil		
Environment	Nil		

## C. OFFICER'S COMMENT

This 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.

Key to table

**Completed**

**No Action**

**Underway**

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.

### RECOMMENDATION / COMMITTEE DECISION

**Minute No: AU.145**

**Moved: Cr Pollard**

**Seconded: Cr Mencshelyi**

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

**CARRIED 4/0**

**Attachment 1**

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
<b>Governance</b>				
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	There is one final Local Law to be adopted by Council prior to Gazettal, however we are waiting on Ministerial approval, it is expected to be presented to Council for adoption at the April Council Meeting
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.



Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
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.
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.
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.
<b>Planning and Regulatory</b>				
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.

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
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.
<b>Plan for the Future</b>				
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.
<b>Asset and Finance</b>				
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.
	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.

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
	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
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
	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.
<b>Workforce Planning and HR Management</b>				
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
<b>Community and Consultation</b>				
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	Council has appointed a Reconciliation Action Plan Working Group to develop the RAP along Reconciliation Guidelines.  The First stage "REFLECT" RAP has been endorsed by Reconciliation Australia .

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#### 5.4 PROGRESS TOWARDS PROCUREMENT PROCESS REVIEW REPORT

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	N/A
<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Colin Young Executive Manager Corporate Services
<b>Responsible Officer:</b>	Colin Young Executive Manager Corporate Services
<b>Officer Declaration of Interest:</b>	NIL
<b>Voting Requirement:</b>	Simple majority
<b>Press release to be issued:</b>	No

#### BRIEF

To provide Council with an update on the progress made towards the Procurement Review Report in order to ensure that continuous improvement occurs within the organisation.

#### ATTACHMENTS

Attachment 1: Outcomes from the Procurement Process Review Report.

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#### A. BACKGROUND / DETAILS

In July 2017 under the direction of the CEO, staff called for quotes from qualified business to conduct a Procurement Process Review on the Shire of Northam's purchasing policy particularly focusing on, Tenders, Records Management, Probity and Credit Card Usage.

The Audit was designed to provide both the CEO and the Council with an additional element of accountability through a check on current procurement processes, ensuring these are being adhered to by staff.

#### 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**

No current implications as this is an update.

**B.3 Legislative Compliance**

There is no legislative requirement to hold an Internal Procurement Review, however it is best practice.

**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	Council does not utilise rate payer funds effectively	Moderate (9)	Implement recommendations of this report
Health & Safety	N/A	N/A	N/A
Reputation	N/A	N/A	N/A
Service Interruption	N/A	N/A	N/A
Compliance	LG Act and Associated regulations are not complied with	High (12)	Implement recommendations of this report
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

**C. OFFICER'S COMMENT**

On Monday 22 January 2018 Moore Stephens conducted an Audit on the Shire of Northam's Procurement processes, after the site visit follow up interviews were conducted with the Executive Management Team and the Procurement Officer.

Based on

A final report was received on 7 May 2018 that included the following contents:

1. Engagement Overview;
2. Executive Summary;
3. Summary Controls Table;
4. Review Findings and Recommendations;

5. Improvement Opportunities;
6. Procurement Processes – Tenders and Contracts Management;
7. Other Matters;

The major areas identified for improvement works are detailed in Attachment 1:

Key to table

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.146**

**Moved: Cr Ryan**  
**Seconded: Cr Pollard**

**That Council receives the update toward the Procurement Process review as provided in Attachment 1.**

**CARRIED 4/0**

**Attachment 1**

REVIEW FINDINGS & RECOMMENDATIONS					
Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
<p>Per the Local Gov't (Functions and General) Regulations 1996, Part 4A, Section 24D (Discounts permitted for regional price preferences), there are three scenarios where the bid from the tenderer can be considered for a price reduction.</p> <p>The legislation allows for:</p> <ul style="list-style-type: none"> <li>• up to 10% reduction for goods or services up to a maximum of \$50,000;</li> <li>• up to 5% reduction for construction (building) services up to maximum of \$50,000; or</li> <li>• up to 10% where the contract is for construction (building) services up to a maximum price reduction of \$500,000.</li> </ul> <p>The Shire's Local Price Preference Policy (F 4.4), Section 3 - Local Price Preference Value, allows for a maximum price reduction of \$100,000 (excluding GST) for goods and services from within the Shire. The amount per the Shire policy does not fully align with the requirements outlined above under Section 24D.</p>	<p>Non-alignment to Gov't Regulations.</p>	<p>Moderate<sup>1</sup></p>	<p>The Shire Local Price Preference Policy should be updated to align with the thresholds in the Regulations.</p>	<p>Local Price Preference Policy has been reviewed and will be presented to Council for consideration.</p>	<p>New Local Price Preference Policy Adopted, updated 28/02/2019</p>



IMPROVEMENT OPPORTUNITIES				
ESTABLISHMENT OF PRE-QUALIFIED PANEL OF SUPPLIERS				
Observation	Potential Risks	Recommendation	Management Comment	Progress
<p>It was noted during the audit that the Shire currently does not operate any formal panels of pre-qualified suppliers. Rather, through the years, it has maintained an informal list of suppliers which it has consistently used for recurring needs such as electrical services, painting, etc. Use of an informal list may present the following limitations:</p> <ul style="list-style-type: none"> <li>• precludes consideration of other suitable service providers which are new market entrants;</li> <li>• rates quoted by known suppliers are often not market tested; and</li> <li>• pre-qualified panel provides greater transparency in the selection process and if implemented follows a prescribed set of rules governing how the panel will operate to manage risks and to ensure a more efficient procurement process.</li> </ul>	<p>The following contractors were used multiple times for the period 1 July 2017 to 31 January 2018.                      Examples:</p> <p><u>Plumbing Services</u></p> <ul style="list-style-type: none"> <li>• Andy's Plumbing [43 POs; spend @ \$14,000]</li> <li>• Blackwell Plumbing [17 POs; spend @ \$15,500]</li> </ul> <p><u>Electrical Services</u></p> <ul style="list-style-type: none"> <li>• Grafton Electrics [46 POs; \$22,000]</li> <li>• Verlindens Electrical [4 POs; \$11,600]</li> </ul>	<p>It is recommended that goods and services which are:</p> <ul style="list-style-type: none"> <li>• recurring,</li> <li>• purchased frequently throughout the year; and</li> <li>• deemed to be low or medium procurement risk, be considered for establishment as a pre-qualified panel under Division 3 of Regulations.</li> </ul> <p>Determination of these services could be based on spend data by service category for the past 2 or 3 years. Any services which are likely to reach \$150,000 however, must undergo a public tender process as per Section 11.</p>	<p>Staff will investigate and establish pre-qualified panels where appropriate.</p>	<p>Limited Progress staff investigating                      No changes –                      Have budgeted for vendor panel software, 3/10/2019.</p> <p>Vender panel software now in place, policy on pre-qualified panels being developed, 25/02/2020</p>

SPEND ANALYSIS				
Observation	Potential Risks	Recommendation	Management Comment	Progress
<p>Spend analysis will provide insight into current procurement arrangements and identify opportunities for strategic procurement by spend category such as assessment of sole source arrangements and the use of pre-qualified panels (refer to point 1.0 Establishment of Pre-qualified panels).</p> <p>A regular review will also contribute to the understanding of historical spend patterns and whether anticipated value for money outcomes were achieved, thus providing input into subsequent tender planning processes.</p> <p>Spend analysis will also enable the Shire to benchmark suppliers which provide similar services for the purposes of "value for money" assessment for future reference.</p>	<p>The following examples illustrate the information that was obtained through a quick analysis of spend data from 1 July 2017 to 31 January 2018:</p> <ul style="list-style-type: none"> <li>• Glenn Stuart Beveridge @ 9 months is \$91,000; this supplier could reach the \$150,000 threshold if not monitored.</li> <li>• Several contractors provide ongoing technical services which require specialist environmental, health and safety knowledge. However, there is no contract or service agreement in place i.e. Avon Valley Contractors, Central Mobile Mechanical Repairs.</li> <li>• Avon Valley Contractors; POs for \$8,800 for 3 months has been sole source supplier for hire of graders.</li> </ul>	<p>It is recommended that at least annually, a review is performed by a person independent of the Procurement function of spend by supplier, by service type and other relevant criteria to ensure that overall procurement for goods and services is a strategic activity.</p> <p>Procurement planning may also alleviate the reliance on sole source suppliers if request for goods and services on short notice is minimised.</p>	<p>Procedures will be put in place ensuring suppliers that have recurring purchases that may reach the \$150,000 tender threshold are reviewed annually.</p>	<p>Spend Analysis now being performed as part of EOFY procedures, updated 28/02/2019</p>

## 5.5 PROGRESS TOWARDS THE SAFETY & RISK MANAGEMENT PLAN

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	
<b>File Reference:</b>	1.1.9.1
<b>Reporting Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Responsible Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Officer Declaration of Interest:</b>	NIL
<b>Voting Requirement:</b>	Simple majority
<b>Press release to be issued:</b>	No

### BRIEF

To provide Council with an update of the progress made towards the Safety & Risk Management Plan.

This report aims to establish a level of accountability in respect to completing the actions identified through the audit undertaken by LGIS in 2014 and 2016 in order to ensure that continuous improvement occurs within the organisation.

### ATTACHMENTS

Attachment 1: Safety & Risk Management Plan.

---

### A. BACKGROUND / DETAILS

The AS/NZS 4801:2001 Audit Report undertaken by LGIS in August 2016 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 67% which is significantly higher than the previous audit result of 28% which was achieved in 2014.

As a consequence and to ensure that any shortfalls identified during the audit are addressed, the Safety & Risk Management Plan has been developed to ensure that required improvements are made in a timely manner. This Plans 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.	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 health and safety 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 audit report have assisted the Shire of Northam to improve its current occupational health and safety performance.

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

All areas of concern have been acted upon with some continually ongoing, it is recommended that this audit be finalised.

Key to table

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.147**

**Moved: Cr Mencshelyi**

**Seconded: Cr Ryan**

**That Council**

- 1. Receive the update as provided in the Attachment 1 in relation to the progress made towards the following Safety & Risk Management Plan.**
- 2. Not require the Safety & Risk Management Plan 2016 to be presented to this committee in the future, given it has been superseded by the 2019 report.**

**CARRIED 4/0**

**Attachment 1**

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
1	OSH Audit 2014	N/A	N/A		Close out actions from OHS Audit 2014 HR to note item as superseded by 2016 Audit	HR	31.3.17 ACTIONED
2	4.3	4.3.1	3	<p><b>Planning Identification of Hazards, Hazard/Risk Assessment and Control of Hazards/Risks</b>  <i>The organisation shall establish, implement and maintain documented procedures for hazard identification, hazard/risk assessment and control of hazards/risks of activities, products and services over which an organisation has control or influence, including activities, products or services of contractors and suppliers.</i></p> <p><i>The organisation shall develop its methodology for hazard identification, hazard/risk assessment and control of hazards/risks, based on its operational experience and its commitment to eliminate workplace illness and injury. The methodology shall be kept up to date.</i></p>	Contractor management procedure to be developed and implemented to include hazard identification for contracts less than \$100K.	HR	Completed, currently being reviewed by Executive team
3	4.3	4.3.2	2	<p><b>Legal and Other Requirements</b>  <i>The organisation shall establish, implement and maintain procedures to identify and have access to all legal and other requirements that are directly applicable to the OSH issues related to its activities, products or services, including relevant relationships with contractors and suppliers. The organisation shall keep this information up-to-date. It shall communicate relevant information on legal and other requirements to its employees.</i></p>	Develop a procedure for accessing legislative documentation e.g. Act, Regulations, Codes of Practice, Australian Standards etc.	HR	31.3.17 COMPLETED
4	4.3	4.3.3	3	<p><b>Objectives and Targets</b></p>	Ensure that targets align with all Shire Business	HR	ONGOING

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<i>The organisation shall establish, implement and maintain documented OHS objectives and targets, at each relevant function and level within the organisation. When establishing and reviewing its objectives, an organisation shall consider its legal and other requirements, its hazards and risks, its technological options, its operational and business requirements and the views of interested parties. The objectives and targets shall be consistent with the OSH policy, including the commitment to measuring and improving OSH performance.</i>	Plans and documents e.g. LTIFR targets		
5	4.3	4.3.4	2	<p><b>OHS Management Plans</b></p> <p><i>The organisation shall establish and maintain management plans for achieving objectives and targets. They shall include:</i></p> <p>a) <i>Designation of responsibility for achievement of objectives and targets at relevant functions and levels of the organisation;</i></p> <p>b) <i>Outlining the means and timeframes by which objectives and targets are to be achieved.</i></p> <p><i>Procedures shall be established to ensure that current plans are reviewed and if necessary amended to address such changes at regular and planned intervals, whenever there are changes to the activities, products or services of the organisation or significant changes in operating conditions.</i></p>	Ensure any OHS Management Plans (Safety and Risk Management Plans) are regularly reviewed and updated.	OSH COMMITTEE	ONGOING TO BECOME A REGULAR ITEM ON AGENDA
6	4.4	4.4.1.2	2	<p><b>Responsibility and Accountability</b></p> <p><i>The organisation shall define, document and communicate the areas of accountability and responsibility (including those imposed by OHS legislation). Where contractors are involved, those areas of accountability and responsibility shall be clarified with respect to those contractors.</i></p>	Performance evaluations need to include OHS. Position descriptions should include a sign-off of OHS responsibilities. Any amendments made to performance evaluations	EXECUTIVE TEAM	All PD's and performance appraisals include OSH

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<p>a) <i>The organisation's top management shall appoint a specific management representative(s) who, irrespective of other responsibilities, shall have defined roles, responsibilities and authority for:</i></p> <p>a) <i>ensuring that OHSMS requirements are established, implemented and maintained in accordance with AS/NZS 4801; and</i></p> <p>b) <i>reporting on the performance of the OHSMS to top management for review and as a basis for improvement of the OHSMS.</i></p>	and/or Position Descriptions need to be communicated to relevant personnel.		
7	4.4	4.4.2	3	<p><b>Training and Competency</b></p> <p><i>The organisation in consultation with employees shall identify training needs in relation to performing work activities competently, including OHS training. Procedures shall be in place to ensure that OHS competencies are developed and maintained. Personnel shall be assessed as competent on the basis of skills achieved through education, training or experience, to perform assigned tasks taking into account the OHS obligations, hazards and risks associated with the work activities.</i></p>	Training requirements should be clearly stated in Position Descriptions.	EXECUTIVE TEAM & HR	Exercise ongoing, updating Position descriptions based on information received at appraisal
8	4.4	4.4.2	2	<p><b>Training and Competency Continued</b></p> <p><i>Procedures shall be developed for providing OHS training. These procedures shall take into account:</i></p> <p>a) <i>the characteristics and composition of the workforce which impact on occupational health and safety management; and</i></p> <p>b) <i>responsibilities, hazards and risks.</i></p> <p><i>The organisation shall ensure that all personnel, including contractors and visitors, have undertaken training appropriate to the identified needs. Training shall be carried out by persons with appropriate knowledge, skills and experience in OHS and training.</i></p>	Develop a procedure that outlines the specific training requirements for OHS including Contractors.	HR	Training Plan created through CRTAFE.



Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
9	4.4.3	4.4.3.2	3	<p><b>Communication</b></p> <p><i>The organisation shall have procedures for ensuring that pertinent OHS information is communicated to and from employees and other interested parties.</i></p>	All staff meetings and toolbox meetings must be documented and OHS items raised must be minuted.	DEPARTMENT MANAGERS	31.3.17 & ONGOING
10	4.4.3	4.4.3.3	3	<p><b>Reporting</b></p> <p><i>a) Appropriate procedures for relevant and timely reporting of information shall be established to ensure the OHSMS is monitored and performance improved. Reporting procedures shall be established to cover the following:</i></p> <p><i>a) OHS performance reporting (including results of OHS audits and reviews)</i></p> <p><i>b) Reporting on incidents and systems failures</i></p> <p><i>c) Reporting on hazard identifications</i></p> <p><i>d) Reporting on hazard/risk assessment</i></p> <p><i>e) Reporting on preventive and corrective action</i></p> <p><i>f) Statutory reporting requirements</i></p>	Include reporting notification timeframes in the OHS induction (for employees and contractors).	HR	31.3.17 COMPLETED
11	4.4	4.4.5	2	<p><b>Document and Data Control</b></p> <p><i>The organisation shall establish, implement and maintain procedures for controlling all relevant documents and data required by AS/NZS 4801 to ensure that:</i></p> <p><i>a) They can be readily located;</i></p> <p><i>b) They are periodically reviewed, revised as necessary and approved for adequacy by competent and responsible personnel;</i></p> <p><i>c) Current versions of relevant documents and data are available at all locations where operations essential to the effective functioning of the OHSMS are performed;</i></p>	Finalise Document Control and Records Management Procedure (see previous OHS Audit 2014 actions).	EXECUTIVE MANAGER CORPORATE SERVICES	Completed and registered in Promapp

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<p>d) <i>Obsolete documents are promptly removed from all points of issue or otherwise assured against unintended use; and</i></p> <p>e) <i>Archival documents and data retained for legal or knowledge preservation purposes or both, are suitably identified.</i></p> <p><i>Documentation and data shall be legible, dated (with dates of revision) and readily identifiable and be maintained in an orderly manner for a specified period. Procedures and responsibilities shall be established and maintained concerning the creation and modification of various types of documentation and data. The organisation shall preclude the use of obsolete documents.</i></p>			
12	4.4.6	4.4.6.1	2	<p><b>General</b></p> <p><i>The organisation shall establish, implement and maintain documented procedures to ensure that the following are conducted: hazard identification; hazard/risk assessment; of hazards/risks; and then evaluation of steps a) to c).</i></p>	<p>Evaluate current Hazard Management Procedure for effectiveness and continual improvement.</p> <p>(Chiara will develop evaluation methodology and a template for reporting on this).</p> <p>Develop and implement a purchasing procedure &amp; Hire/Lease procedure/Agreement that details hazard identification, risk assessment and risk control of new products</p> <p>Implement a Supplier/Contractor</p>	<p>HR</p> <p>EXECUTIVE MANGER CORPORATE SERVICES</p> <p>EXECUTIVE MANGER</p>	<p>Ongoing evaluation at OSH Committee meetings</p> <p>Statement of Purchasing Ethics Completed</p> <p>Completed</p>

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
					selection criteria and listing based on safety practices	CORPORATE SERVICE	
13	4.4.6	4.4.6.2	2	<p><b>Hazard Identification</b></p> <p>a) <i>The identification of hazards in the workplace shall take into account:</i></p> <p>a) <i>the situation or events or combination of circumstances that has the potential to give rise to injury or illness;</i></p> <p>b) <i>the nature of the potential relevant injury or illness.</i></p> <p>i. <i>The identification process shall also include consideration of:</i></p> <p><i>the way that work is organised, managed, carried out and any changes that occur in this;</i></p> <p>ii. <i>the design of workplaces, work processes, materials, plant and equipment;</i></p> <p>iii. <i>the fabrication, installation and commissioning and handling and disposal (of materials, workplaces, plant and equipment);</i></p> <p>iv. <i>the purchasing of goods and services;</i></p> <p>v. <i>the contracting and subcontracting of plant, equipment, services and labour including contract specification and responsibilities to and by contractors;</i></p> <p>vi. <i>vi) the inspection, maintenance, testing, repair and replacement (of plant and equipment) to the activity, product or service; and</i></p> <p>c) <i>past injuries, incidents and illnesses.</i></p>	<p>Conduct a review of injury, hazard and incident data.</p> <p>Analyse and consider findings in data for planning future work.</p> <p>Chiara will develop a methodology and template for reporting on this.</p>	OSH COMMITTEE	ONGOING
14	4.4.6	4.4.6.3	3	<p><b>Hazard/Risk Assessment</b></p> <p><i>All risks shall be assessed and have control priorities assigned, based on the established level of risk.</i></p>	Develop a Job Safety Analysis template that is consistent throughout the Shire departments	HR	30.11.16 COMPLETED

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
					ensuring that the template includes an initial risk rating and residual risk rating boxes. It is recommended that the document called "Task Steps" be re-named "Safe Work Method Statement" to align with the OHS legislation.		
15	4.4.6	4.4.6.5	2	<b>Evaluation</b> <i>The process of hazard identification, hazard/risk assessment and control of hazards/risks shall be subject to a documented evaluation of effectiveness and modified as necessary.</i>	As above for 4.4.6.1.	HR	31.1.18  Evaluated on a regular basis at OSH Committee meetings
16	4.5.1	4.5.1.2	2	<b>General continued</b> <i>The organisation shall establish, implement and maintain documented procedures to monitor and measure on a regular basis the key characteristics of its operations and activities that can cause illness and injury. The effectiveness of these measures shall be evaluated. Appropriate equipment for monitoring and measurement related to health and safety risks shall be identified, calibrated, maintained and stored as necessary.</i>  <i>Records of this process shall be retained according to the organisation's procedures. With regards to the OHSMS, the organisation shall establish, implement and maintain procedures to monitor:</i>	Conduct a risk assessment to determine health surveillance requirements. This includes reviewing MSDS' and work processes.  Chiara will assist with this process.  When it is determined whether health surveillance is required a procedure should be developed.	HR	31.1.18  Evaluated on a regular basis at OSH Committee meetings

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<p>a) performance, effectiveness of operational controls and conformance with the organisation's objectives and targets; and</p> <p>b) compliance with relevant OHS legislation.</p>			
17	4.5	4.5.3	2	<p><b>Records and Records Management</b></p> <p>The organisation shall establish, implement and maintain procedures for the identification, maintenance and disposition of OHS records, as well as the results of audits and reviews. OHS records shall be legible, identifiable and traceable to the activity, product or service involved. OHS records shall be stored and maintained in such a way that they are readily retrievable and protected against damage, deterioration or loss. Their retention times shall be established and maintained. Records shall be maintained as appropriate to the system and to the organisation, to demonstrate conformance to the requirements of AS/NZS 4801.</p>	<p>As above for 4.4.5.</p> <p>Review current staff access, security arrangements and storage of records.</p>	<p>EXECUTIVE MANAGER CORPORATE SERVICES</p>	<p>Completed and registered in Promapp. A secure area has been arranged for OHS records in the Records Office</p>
18	4.5	4.5.4	1	<p><b>OHSMS Audit</b></p> <p>The organisation shall establish, implement and maintain an audit program and procedures for periodic audits to be carried out by a competent person, in order to:</p> <p>a) determine whether the OHSMS:</p> <p>i) conforms to planned arrangements for OHS management including the requirements of AS/NZS 4801;</p> <p>ii) has been properly implemented and maintained;</p> <p>iii) is effective in meeting the organisation's policy as well as objectives and targets for continual improvement; and</p> <p>iii) provide information on the results of audits to management and employees.</p>	<p>Develop a procedure for audits.</p> <p>Develop an Audit Program based on previous audit findings and areas of concern.</p>	<p>HR</p>	<p>30.6.17</p> <p>Completed</p>

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<i>The audit program, including any schedule, shall be based on the OHS importance of the activity concerned, and the results of previous audits. The audit procedures shall cover scope, frequency, methodologies and competencies, as well as the responsibilities and requirements for conducting audits and reporting results.</i>			
19	4.6	4.6	2	<p><b>Management Review</b></p> <p><i>The organisation's top management shall ensure, at intervals that it determines, review the OHSMS, to ensure its continuing suitability, adequacy and effectiveness. The management review process shall ensure that the necessary information is collected to allow management to carry out this evaluation. This review shall be documented. Management shall review the continued relevance of, and change where appropriate, policy, objectives, responsibilities and other elements of the OHSMS, in light of OHSMS audit results, changing circumstances and the commitment to continual improvement.</i></p>	<p>Senior management to conduct a review of the OHS system.</p> <p>Develop an agenda for items and determine timeframes/intervals for the review.</p>	EXECUTIVE TEAM	Executive Have standing agenda item in fortnightly meeting to discuss progress of OHS, the OHS system is constantly under review. Currently assessing a change in OHS software

## 5.6 ADOPTION OF THE OSH ACTION PLAN 2019

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	
<b>File Reference:</b>	1.1.9.1
<b>Reporting Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Responsible Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Officer Declaration of Interest:</b>	NIL
<b>Voting Requirement:</b>	Simple majority
<b>Press release to be issued:</b>	No

### BRIEF

For Council to endorse the OSH Action Plan from the audit undertaken by LGIS in 2019.

This report aims to establish a level of accountability in respect to completing the actions identified in order to ensure that continuous improvement occurs within the organisation.

### ATTACHMENTS

Attachment 1: OSH Action Plan.

---

### A. BACKGROUND / DETAILS

The 3 Steps to Safety Program Assessment undertaken by LGIS in June 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 slightly higher than the previous audit result of 67% which was achieved in 2016. This however indicates that there is continuous improvement throughout our safety systems when compared to the audit result of 28% in 2014.

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 Safety team and 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.	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, volunteers and contractors across the entire scope of operations are considered and included in the application of occupational health and safety management systems.

As with all system based programs there is opportunity for continuous improvement aligned with the Worksafe Plan guidance specifications. The



implementation of the recommendations contained in the audit report have assisted the Shire of Northam to improve its current occupational health and safety performance.

Officers are working towards addressing the areas requiring attention whilst continuing the improvements already underway in order meet its occupational health and safety responsibilities into the future.

Key to table

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.148**

**Moved: Cr Ryan**

**Seconded: Cr Mencshelyi**

**That Council endorse the OSH Action Plan from the audit undertaken by LGIS in 2019 and request the Chief Executive Officer to report the progress towards the Action Plan to future Audit and Risk Management Committee meetings.**

**CARRIED 4/0**

## Attachment 1



# 3 Steps to Safety

## Step 2: OSH Action Plan



November 2019

Shire of Northam OSH Action Plan  
2019

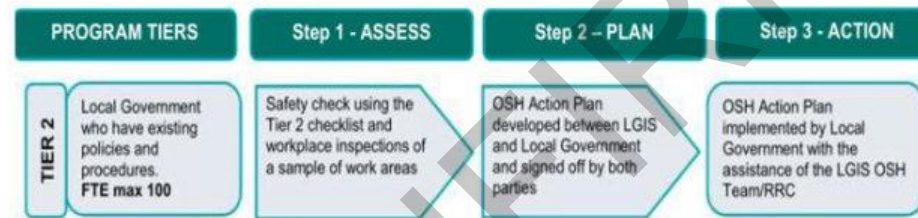
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## OSH Action Plan

**Purpose:** This plan has been developed in response to step 1 of the 3 Steps to Safety program that was undertaken in June 2019 and outlines the actions to be taken to address areas for improvement. This plan should be read in conjunction with the Verification Report.

**Background:** The 3 Steps to Safety program was developed to recognise the diversity in WA local government. Encompassing 3 steps: Assess, plan and act, the program uses progressive safety practices to drive safety performance. This OSH action plan fulfils step 2 of the program. Step 3 is the implementation of this plan.

Tier 2 Program Summary



**Review:** This plan should be reviewed at the Senior Management Group meetings to ensure actions are closed out.

**Responsibility:** Jason Whiteaker, Chief Executive Officer

**Scoring methodology:** The following scoring methodology was used in the assessment

Finding	Score	Definition
Satisfactory	2	Where the organisation has fulfilled the requirement
Insufficient	1	Where the organisation has fulfilled some of the requirements but not all of it
Unsatisfactory	0	Where the organisation has not fulfilled the requirement

**OSH Action Plan**

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
<b>Management Commitment</b>						
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 <b>annually</b> internally and this review is documented.	HR Manager	June 2020
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	June 2020

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
<b>Planning</b>						
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
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 with in the OSH Policy.	Executive Team HR Manager	June 2020
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
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

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
<b>Consultation and Reporting</b>						
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

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
<b>Hazard Management</b>						
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
10	4.2		<i>Work activities are analysed and hazards identified</i>	Review current development of SWMS'.	OSH Committee	Ongoing
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	June 2020
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

Action item	Element No. (taken from checklist)	Finding (score)	Requirements (taken from criteria)	Actions to be taken	Responsibility	Due date
<b>Training and Supervision</b>						
13	5.5		<i>Training is delivered by people with appropriate knowledge, skills and experience</i>	Develop and implement a process where information regarding training providers (e.g. RTO status and number, Facilitator bios) is obtained and kept on file.	Safety Officer	June 2020
14	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
15	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	June 2020



## 5.7 PROGRESS TOWARDS THE REGULATION 17 REVIEW ACTION PLAN

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	N/A
<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Responsible Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	

### 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

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### A. BACKGROUND / DETAILS

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

- Risk management
- Internal controls, and
- Legislative compliance

The Chief Executive Officer carried out the review internally, the attached report is supplied to Council with the findings and recommendations.

A report has then been prepared identifying the findings from the review along with recommendations (if applicable). These findings and recommendation have been developed into an action plan and provided in Attachment 1.

## **B. CONSIDERATIONS**

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

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.

### **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**

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

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

This review indicated that the Shire of Northam is proactive in managing risk, internal controls and legislative compliance as well as taking the necessary steps to ensure appropriate risk management, internal controls and legislative

compliance policies and practices are in place. Areas for improvement and recommendations have been detailed in Attachment 1 with comments in respect to the progress made towards each of these.

Officers are working towards addressing the recommendations from the review whilst continuing the improvements already underway in order to achieve an optimum levels of risk management, internal controls and legislative compliance into the future. The Action Plan for Review has been provided in Attachment 1 with an update of the progress made towards the recommendations.

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.

Key to table

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.149**

**Moved: Cr Pollard**

**Seconded: Cr Ryan**

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

**CARRIED 4/0**

**Attachment 1**

**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 Councils risk tolerances.	Will be reviewed	CEO	Nil
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 presented to the Committee for consideration as part of the IT Audit progress report.

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.	mechanism 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	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.  Policies and procedures relating to access and use of Shire CCTV systems also needs to be developed, documented, approved, implemented and monitored.	1. ICT Policy to be put in place for personally owned devices. 2. Policy and procedures to be put in place for the Shire's CCTV network. 3. Create a user access agreement. 4. Create a simplified wireless network. 5. Enter a risk in PROMAPPS to document internal fraud.	EMCS	Nil.

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"> <li>• 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.</li> <li>• Simplified wireless network access in all offices, segregated into Staff, Councillors, Services (such as retic and security), and Guest layers</li> <li>• that can be utilised by Shire resources as well as</li> </ul>			



No.	Finding	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
			<p>Bring Your Own Device (BYOD).</p> <ul style="list-style-type: none"> <li>• Data encryption of all mobile Shire resources such as laptops, tablets, mobiles, and USB drives.</li> <li>• “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.</li> </ul> <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>			

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 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"> <li>• Corporate card misuse, such as payment for personal expenses</li> <li>• Fictitious names on the payroll system.</li> <li>• Delayed terminations.</li> <li>• Abuse of position and power, including accepting or offering bribes or gifts.</li> <li>• Nepotism.</li> <li>• Submitting false travel claims.</li> </ul>	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	Nil



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



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.				

UNCONFIRMED



**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. <b>Finding Regulation 17 2016 Audit</b>	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 is being developed for all buildings to include remote access to minimise callouts
1	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	
4	Some processes being used by external offices does 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, as yet not implemented across the all departments 2. Considering options.

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.		24/02/2020

UNCONFIRMED



**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	Nil
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).

## 5.8 PROGRESS TOWARDS IT AUDIT SERVICE REPORT

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	N/A
<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Colin Young, Executive Manager Corporate Services
<b>Responsible Officer:</b>	Colin Young, Executive Manager Corporate Services
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

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

### ATTACHMENTS

Attachment 1: IT Audit Action Plan.  
Attachment 2: Disaster Recovery 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 Council's 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 where:

- 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	Minor (2)	Put processes in place to mitigate attack

Health & Safety	N/A	N/A	N/A
Reputation	Any disruption to Councils IT infrastructure impacts members of the community and may give them a poor reflection of dealing with Council.	Minor (2)	Put processes in place to mitigate attack
Service Interruption	Disruption to the service provided by Council	Medium (3)	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 (ie. ADSL connections)

In the attached table it describes the actions taken by the Shire to address the IT issues raised by Focus Networks.

Key to table



**Completed**

**No Action**

**Underway**

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.

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.150**

**Moved: Cr Pollard**

**Seconded: Cr Mencshelyi**

**That Council:**

- 1. Receive the update as provided in Attachment 1 in relation to the progress made towards the IT Audit Review.**
- 2. Adopt the IT Disaster Recovery Plan.**

**CARRIED 4/0**

**Attachment 1**

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 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"> <li>• Onsite and offsite retention of backups</li> <li>• Minimum hourly snapshots</li> <li>• Hourly dailey, weekly, monthly and annual retention periods</li> <li>• Regular recovery testing</li> <li>• Daly backup notifications</li> </ul> <p>It is important to do regular scheduled Disaster recovery testing to ensure all is working as intended.</p>	Executive Manager Corporate Services	Now utilising Acronis, taking multiple daily snapshots as well as offsite backups.
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	Hardware based deep packet scanning corporate firewall has been implemented via a Fortigate router. This has also allowed us to better manage and monitor our network and circumvent the complications and delays brought about by

No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
						the Telstra MPLS side of things.
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 <a href="mailto:ithelp@northam.wa.gov.au">ithelp@northam.wa.gov.au</a>	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.	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.

No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			<p>Calls for help are not documented in a helpdesk ticketing system. No utilisation statistics can be documented.</p> <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 FTN disconnection for copper services would affect ADSL services.</p>	<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.</p>	Executive Manager Corporate Services	<p>MPLS given 30 days notice. We are going with TPG to give us a link to the building. They will replace what Telstra couldn't deliver.</p> <p>We are also in process of linking remote offices with Administration building via own airfibre / wireless links which replace our dependence on NBN and ADSL services.</p>

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 &amp; 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 &amp; 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>	<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.</p>	Executive Manager Corporate Services	DRP is presented to the Committee to recommend for adoption to Council. 24/02/2020
7	Strategic IT Plan	<u>MEDIUM</u> Score 0	<p>There is no current Strategic IT Plan. The "Information &amp; 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>	<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.</p>	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

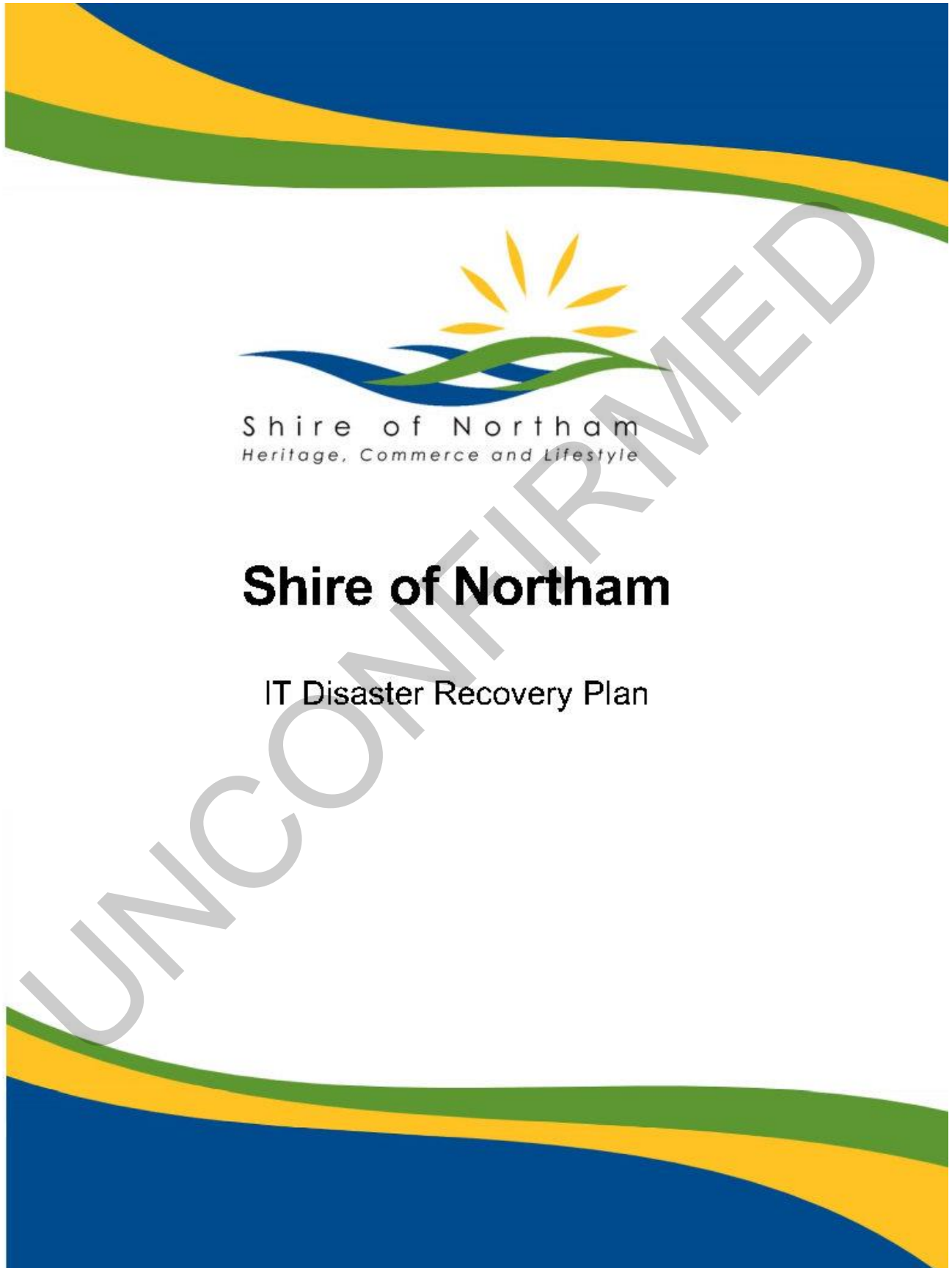
No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
						needs to be achieved, ongoing 24/02/2020.
8	Windows Updates	<u>MEDIUM</u> Score 1	<p>The two physical servers were last updated on the 19<sup>th</sup> of August. As this is a Sunday we assume IT completed the updates.</p> <p>The single virtual server NSC-FILE was last updated on the 21<sup>st</sup> 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>	<p>Microsoft Windows Server Update Services (WSUS) or alternative 3<sup>rd</sup> 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.</p>	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	<p>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.</p> <p>Canon, HP and Brother printers were confirmed onsite no standard purchasing policy exists.</p>	<p>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 direct printing and the secure or distributed option of printing should be investigated.</p>	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 by network printers. 25/02/2020

No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			No secure print functionality was witnessed on the larger multi function printers.	Locations of printers from an OHS point of view should be addressed for ventilation and noise requirements.		
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, onboard 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> <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>	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 ranges. Each range is divided into channels. Fine tuning can increase performance gains. Wireless network access can also be configured using	Executive Manager Corporate Services	Most gear 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.

No.	Priority Areas	Finding Rating	Current	Recommendation	Responsible Officer	Progress to Date
			There is no evidence of separated networks (referred to as VLANs).	SSIDs and VLANs for internal use and/or public use.		
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>



Attachment 2



IT Disaster Recovery Plan



**Revision History**

Revision	Date	Name
Draft 1	17/01/2020	Daniel Goldman (JH Computer Service)
Draft 1	26/02/2020	Colin Young
Draft 1	26/02/2020	Colin Young
Draft 1	26/02/2020	David Sparrow
Draft 1	27/02/2020	David Sparrow
Draft 1	27/02/2020	Colin Young

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IT Disaster Recovery Plan



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IT Disaster Recovery Plan



## Information Technology Statement of Intent

This document delineates our policies and procedures for technology disaster recovery, as well as our process-level plans for recovering critical technology platforms and the telecommunications infrastructure. This document summarizes the Shires recommended procedures. In the event of an actual emergency situation, modifications to this document may be made to ensure physical safety of our people, our systems, and our data.

Our mission is to ensure information system uptime, data integrity and availability, and business continuity.

### Objectives

The principal objective of the disaster recovery program is to develop, test and document a well-structured and easily understood plan which will help the company recover as quickly and effectively as possible from an unforeseen disaster or emergency which interrupts information systems and business operations. Additional objectives include the following:

- The need to ensure that all employees fully understand their duties in implementing such a plan
- The need to ensure that operational policies are adhered to within all planned activities
- The need to ensure that proposed contingency arrangements are cost-effective
- The need to consider implications on all Shire sites

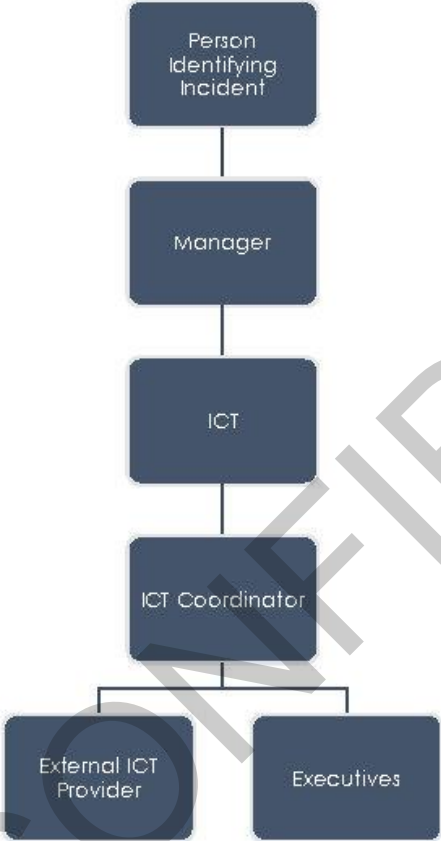
### Key Personnel Contact Information

Name, Company, Title	Contact Option	Contact Number
David, Shire of Northam	Work	9622 6154
ICT Coordinator	Mobile	0436 660 316
	Email Address	ictcoordinator@northam.wa.gov.au
Robert, Shire of Northam	Work	9622 6171
ICT Officer	Mobile	0417 746 474
	Email Address	ict@northam.wa.gov.au
	Secondary Email	Robert.beardsmore@outlook.com
Daniel, JHCS	Work	08 9367 9499
System Administrator	Mobile	0409 124 178
	Email Address	support@jhcs.com.au
Tim, JHCS	Work	08 9367 9499
General Manager	Mobile	0413 842 244
	Email Address	support@jhcs.com.au
Executive Manager Corporate Services	Mobile	0418 9080 506
	Email Address	emcorps@northam.wa.gov.au

IT Disaster Recovery Plan



Notification Calling Tree



IT Disaster Recovery Plan



**1 Plan Overview**

**1.1 Plan Updating**

It is necessary for the DRP updating process to be properly structured and controlled. Whenever changes are made to the plan they are to be fully tested. This document is to be reviewed every 2 years.

**1.2 Plan Documentation Storage**

Digital copies of this Plan and hard copies will be stored in secure locations to be defined by the Shire. Each member of senior management will be issued a PDF and hard copy of this plan to be filed at home. Each member of the Disaster Recovery Team and the Business Recovery Team will be issued a PDF and hard copy of this plan. A master protected copy will be stored within Councils Document Control Register.

**1.3 Backup Strategy**

Key business processes and the agreed backup strategy for each are listed below. The strategy chosen is for a backup mirrored offsite to be located at Councils External IT provider.

**1.4 Risk Management**

There are many potential disruptive threats which can occur at any time and affect the normal business process. We have considered a wide range of potential threats and the results of our deliberations are included in this section. Each potential environmental disaster or emergency has been examined. The focus here is on the level of business disruption which could arise from each type of disaster.

Potential disasters have been assessed as follows based on the Shires Risk Matrix:

Potential Disaster	Probability Rating	Impact Rating
Flood	1	2
Fire	2	4
Act of sabotage	1	4
Loss of communications network services	5	2

**Risk Matrix, Consequence and Likelihood Tables**

Risk Matrix

The following matrix matches the severity of outcomes to the likelihood of occurrence.

LIKELIHOOD	CONSEQUENCE				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Rare (1)	Low	Low	Low	Low	Low
Unlikely (2)	Low	Low	Low	Medium	Medium
Possible (3)	Low	Low	Medium	Medium	Medium

**IT Disaster Recovery Plan**



Likely (4)	Low	Medium	Medium	High	High
Almost certain (5)	Low	Medium	Medium	High	Extreme

Likelihood Table

Likelihood and frequency of events tend to vary between disciplines and functional areas.

Level	Likelihood	Expected or actual frequency experienced
1	Rare	May only occur in exceptional circumstances; simple process; no previous incidence of non-compliance
2	Unlikely	Could occur at some time; less than 25% chance of occurring or re-occurring; non-complex process &/or existence of checks and balances
3	Possible	Might occur at some time; 25 – 50% chance of occurring or re-occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation
4	Likely	Will probably occur in most circumstances; 50-75% chance of occurring or re-occurring; complex process with some checks & balances; impacting factors outside control of organisation
5	Almost certain	Can be expected to occur in most circumstances; more than 75% chance of occurring or re-occurring; complex process with minimal checks & balances; impacting factors outside control of organisation

If there is an opportunity to make quick changes to the site to mitigate or eliminate immediate risk, these will be taken. The hierarchy of options as per the Hierarchy of Controls in the Occupational Safety and Health procedures.

Elimination- Most effective

Substitution, Isolation or Engineering Controls- Where resource constraints exist.

Use of Personal Protective Equipment and procedural minimisation of exposure- the least effective at minimising risk because they do not control the hazard at the source and rely on human behaviour and supervision.

**IT Disaster Recovery Plan**



Consequence Table

The following is a guide to determining consequence. The applicability of the operational definitions of each category of consequence will vary.

Level & descriptor	Health Impacts	Critical services interruption	Organizational outcomes/objectives	Reputation and image per issue	Non-compliance
Insignificant (1)	First aid or equivalent only	No material disruption	Little impact	Non-headline exposure, not at fault; no impact	Innocent procedural breach; evidence of good faith; little impact
Minor (2)	Routine medical attention required (up to 2 weeks incapacity)	Short term temporary suspension – backlog cleared < 1 day	Inconvenient delays	Non-headline exposure, clear fault settled quickly; negligible impact	Breach; objection/complaint lodged; minor harm with investigation
Moderate (3)	Increased level medical attention (2 weeks to 3 months incapacity)	Medium term temporary suspension – backlog cleared by additional resources	Material delays; marginal under-achievement of target performance	Repeated non-headline exposure; slow resolution; Ministerial enquiry/briefing	Negligent breach; lack of good faith evident; performance review initiated
Major (4)	Severe health crisis (incapacity beyond 3 months)	Prolonged suspension of work – additional resources required; performance affected	Significant delays; performance significantly under target	Headline profile; repeated exposure; at fault or unresolved complexities; ministerial involvement	Deliberate breach or gross negligence; formal investigation; disciplinary action; ministerial involvement
Catastrophic (5)	Multiple severe health crises/injury or death	Indeterminate prolonged suspension of work; non performance	Non achievement of objective/outcome; performance failure	Maximum high level headline exposure; Ministerial censure; loss of credibility	Serious, wilful breach; criminal negligence or act; prosecution; dismissal; ministerial censure



## IT Disaster Recovery Plan



## 2 Emergency Response

### 2.1 Alert, escalation and plan invocation

#### 2.1.1 Plan Triggering Events

Key trigger issues onsite that would lead to activation of the DRP are:

- Total loss of all communications
- Total loss of power (Admin Centre)
- Flooding of the premises (Admin Centre)
- Loss of a Shire building
- Act of sabotage internal/external

#### 2.1.2 Activation of Emergency Response Team

When an incident occurs the Emergency Response Team (ERT) must be activated. The ERT will then decide the extent to which the DRP must be invoked. All Shire building managers must be issued a Quick Reference card containing ERT contact details to be used in the event of a disaster. Responsibilities of the ERT are to:

- Respond immediately to a potential disaster and call emergency services;
- Assess the extent of the disaster and its impact on the Shire, data centre, etc.;
- Decide which elements of the DR Plan should be activated;
- Establish and manage disaster recovery team to maintain vital services and return to normal operation;
- Ensure employees are notified and allocate responsibilities and activities as required.

### 2.2 Disaster Recovery Team

The team will be contacted and assembled by the ERT. The team's responsibilities include:

- Establish facilities for an emergency level of service within 2.0 business hours;
- Restore key services within 4.0 business hours of the incident;
- Recover to business as usual within 8.0 to 24.0 hours after the incident;
- Coordinate activities with disaster recovery team, first responders, etc.
- Report to the emergency response team.

### 2.3 Emergency Alert, Escalation and DRP Activation

This policy and procedure have been established to ensure that in the event of a disaster or crisis, personnel will have a clear understanding of who should be contacted. Procedures have been addressed to ensure that communications can be quickly established while activating disaster recovery.

The DR plan will rely principally on key members of management and staff who will provide the technical and management skills necessary to achieve a smooth technology and business recovery. Suppliers of critical goods and services will continue to support recovery of business operations as the Shire returns to normal operating mode.

#### 2.3.1 Emergency Alert

## IT Disaster Recovery Plan



The person discovering the incident calls a member of the Emergency Response Team in the order listed:

The Emergency Response Team (ERT) is responsible for activating the DRP for disasters identified in this plan, as well as in the event of any other occurrence that affects the company's capability to perform normally.

One of the tasks during the early stages of the emergency is to notify the Disaster Recovery Team (DRT) that an emergency has occurred. The notification will request DRT members to assemble at the site of the problem and will involve enough information to have this request effectively communicated. If required a Business Recovery Team (BRT) will be established, consisting of senior representatives from Shire departments. The BRT Leader will be an executive manager (or their delegate) and will be responsible for taking overall charge of the process and ensuring that the company returns to normal working operations as early as possible.

### 2.3.2 DR Procedures for Management

Members of the management team will keep a hard copy of the names and contact numbers of each employee in their departments.

### 2.3.3 Contact with Employees

Managers will serve as the focal points for their departments, while designated employees will call other employees to discuss the crisis/disaster and the company's immediate plans. Employees who cannot reach staff on their call list are advised to call the staff member's emergency contact to relay information on the disaster.

## 3 Recovery Procedure

### 3.1 Flood Disaster Recovery

Event	Site destroyed by flood
Mitigation	Backup replication to offsite location and backup NBN internet links at satellite sites.
What to do	Restore servers on hardware located at offsite location and configure remote VPN for users to access data and software.
Expected Downtime	4 business days

### 3.2 Fire Disaster Recovery

Event	Site destroyed by fire
Mitigation	Backup replication to offsite location and backup NBN internet links at satellite sites.
What to do	Restore servers on hardware located at offsite location and configure remote VPN for users to access data and software.
Expected Downtime	4 business days

### 3.3 Act of Sabotage

Event	Disgruntled employee destroys data
Mitigation	Regular server backups

**IT Disaster Recovery Plan**



What to do	Restore from onsite backups
Expected Downtime	1-3 business days

**3.4 Loss of communication or network**

Event	TPG network outage
Mitigation	Backup NBN links at each site
What to do	No works required auto failover
Expected Downtime	None

**4 Recommendations**

1. Office 365 for emails – this will ensure that any downtime is minimised due to any disaster caused above and other.
2. New backup / Disaster Recovery server designed to be hosted at an offsite location to be used to recover all servers. This will ensure if the server rack is destroyed for any reason the downtime can be minimised.
  - a. A backup / DR storage hosted at Create298 or the Recreation Centre would provide for quicker local access to critical data / services in the event of extended network link outages.
  - b. A backup / DR server configured to also serve as an ICT test environment regularly mirrored from the live production environment would not only allow for better change management reducing risk to the live production environment but also would even further minimise downtime by becoming the live production environment in the event of a primary site / server loss.
3. Staff training – Ensure all staff are notified about disaster reporting and procedures to ensure minimal downtime.
4. Creation of a detailed hardcopy of procedures and checklist.

## 5.9 PROGRESS TOWARDS THE PARKS AND GARDENS AUDIT

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	N/A
<b>File Reference:</b>	1.3.6.9
<b>Reporting Officer:</b>	Cheryl Greenough, Coordinator Governance / Administration
<b>Responsible Officer:</b>	Clinton Kleynhans, Executive Manager Engineering Services
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

This report is 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**

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

Health & Safety	N/A	N/A	N/A
Reputation	Shire facilities are not maintained to acceptable standards	Minor (2)	Ensure fit for purpose programs are in place with ongoing monitoring
Service Interruption	Ineffective programs causing lost time	Minor (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 .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.

Key to table

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.151**

**Moved: Cr Pollard**

**Seconded: Cr Ryan**

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

**CARRIED 4/0**

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	No progress
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 park of the Parks and gardens Asset Management Plan/ Strategy development.	EMES	The P&G Asset Management Plan is in the final stages of development, pending the receiving of the Parks & Gardens Service Review Report and Compliance Audit Report.



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	A formal traineeship structure is currently being developed by Human Resources
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 is being investigated.	HR	No Progress

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
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	Programming of works is being reviewed and will be assessed for any change in productivity or service standard.

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## 5.10 PROGRESS TOWARDS FINANCIAL MANAGEMENT REVIEW

<b>Address:</b>	N/A
<b>Owner:</b>	Internal report Shire of Northam
<b>Applicant:</b>	As Above
<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Colin Young Executive Manager Corporate Services
<b>Responsible Officer:</b>	Colin Young Executive Manager Corporate Services
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	Nil

### BRIEF

For the Audit Committee to receive a progress report for the Financial Management System Review report that was conducted by AMD Chartered Accounts on the 10-13 June 2019.

### ATTACHMENTS

Attachment: Attachment 1

### A. BACKGROUND / DETAILS

Council's Financial Management Systems Review was undertaken on 10-13 June 2019 by AMD Chartered Accountants. In accordance with Regulation 5(2)(c) of the *Local Government Financial Management Regulations 1996* Council is required to have a review of its financial system to ensure its appropriateness and effectiveness at least once every three years.

This report is to provide Council with the progress that has been made against the recommendations within the Financial Management Review.

### B. CONSIDERATIONS

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

Theme Area 6: Governance & Leadership.

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

Objective:

- Ensure robust financial management.
- Implement systems and processes which deliver outcomes for our community.

- Maintain a high standard of corporate governance.

## B.2 Financial / Resource Implications

Nil

## B.3 Legislative Compliance

*Local Government Act (1995) Section 7.12A & Local Government Financial Management Regulations 1996 Regulation 5(2)(c)*

## B.4 Policy Implications

N/A.

## B.5 Stakeholder Engagement / Consultation

Nil.

## B.6 Risk Implications

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

## C. OFFICER'S COMMENT

The Auditor raised a number of findings within the Financial Management Systems Review that need to be addressed to ensure that best practices are being followed by Council. The issues raised are contained in attachment 1. The auditor's report provided recommendations on the best way to resolve the issues and additionally management comments have been put in place as well as actions taken. The level of risk for eight of the issues were considered moderate and five raised were low.

Key to table of Attachment 1

**Completed**

**No Action**

**Underway**

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.152**

**Moved: Cr Ryan  
Seconded: Cr Pollard**

**That Council receive the Financial Management Systems Review report for 2018/19 and require the progress of the recommended actions to be reported to the audit committee until all items are complete.**

**CARRIED 4/0**

**Attachment 1**

<b>REVIEW FINDINGS &amp; RECOMMENDATIONS</b>						
	<b>Observation</b>	<b>Potential Risks</b>	<b>Rating</b>	<b>Recommendation</b>	<b>Management Comment</b>	<b>Progress</b>
1.	<p><b>Collection of money</b>                      The daily banking sheet is not signed by the preparer, nor is there evidence of independent review.</p>	<p>Money going astray without record</p>	<p>Moderate</p>	<p>Daily bank reconciliations should be consistently prepared, signed by the preparer and adequately reviewed on a daily basis by an independent senior management staff member. The daily banking reconciliation should be signed as evidence the independent review has occurred.</p>	<p>The daily banking is prepared by an Administration Officer. The amounts are checked during the Bank Reconciliation process daily. The Bank reconciliation process is undertaken by the Senior Finance Officer or Rates Officer the following day to ensure the amounts match the bank statement in a timely manner. We will ensure the signing by Officers is incorporated into the process.</p>	<p>The Administration Officer now signs the end of day document.                      24/02/2020</p>

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
2.	It is Suggested the Shire improve security of cash takings across various Shire controlled sites	Values may be incorrect	Moderate	<p>Processes with respect to cash handling and physical storage at Shire managed locations should be reviewed with an objective of enhancing controls over Council monies.</p> <p>Council could consider engaging a cash-in-transit security service provider or alternatively set a pre-determined maximum cash-in-transit daily banking amount to reduce the risk.</p> <p>Banking for Shire managed locations be completed at least weekly.</p> <p>A receipt or acknowledgement of cash provided for banking be received by Shire managed</p>	<p>The Shire will consider installing small safes at Killara, the Northam Library and BKB Centre</p> <p>The procedure for high volume cash periods, is generally only around four days a year on the final day of rates instalments falling due. Moving cash from tills in the front counter is recorded and counted and signed for by two staff members, then placed in a locked safe. During these times two staff take the cash to the bank.</p>	<p>Implemented, staff member currently remains in the office whilst the banking is counted and received.                  24/02/2020</p> <p>Installation of Safes or secured locations for offsite money, centre needs are currently being investigated.                  24/02/2020</p>

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
				locations.	Reminders and regular checks and follow ups will be made to ensure banking is done at least weekly  Where banking is brought to the Administration Building for receipting, the staff member bringing the money is to sign the paperwork that accompanies the money and the staff member counting it will also sign and date it.	
3.	Minor variances were identified when completing petty cash counts at cash collection sites operated by the Shire	Inability to trace small amounts of cash	Low	Petty cash should be reconciled on a regular basis and any variances identified be investigated and rectified in a timely	Staff will be notified and will sign the end of year reconciliation forms that will be amended to	Implemented process in place and working well 24/02/2020



REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
				manner.	require a minimum of quarterly submissions be made for reimbursements and that the petty cash be counted at the end of every month	
4.	The Shire does not have a current Business Continuity Plan.	Unnecessary Business disruption	Moderate	The existing Business Continuity Plan was developed in February 2016 and requires updating. It is recommended that the Plan be reviewed, approved and subsequently implemented by the Shire. In addition, the DRP should subsequently be tested on a periodic basis to ensure that in the event of a disaster, appropriate action(s) can be taken.	The Formal documentation of Disaster Recovery Actions will be undertaken.	Draft IT Disaster recovery plan has been developed and is presented to the Audit Committee within the IT Audit Progress Report for Adoption. 24/02/2020

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
5.	Interim Rate notices are not issued throughout the year on a timely basis by the Shire when Landgate updates the property valuations	Community dissatisfaction	Low	Interim rate notices should be issued in a timely manner upon receipt of updated property valuations from Landgate.	Noted, procedures will be put in place to ensure interim rates are processed in a more timely manner.	
6.	There is no formal procedure in place to ensure network access is disabled for terminated employees.	Ex staff may be able to access information	Low	A termination checklist be completed for all terminated employees, including ensuring network access is disabled.	<p>Synergy Access uses a process of replacement of a terminating officer with a replacement officer, so it is not possible for access remotely or to the financial system.</p> <p>A checklist for new starters and terminations, that incorporates Council property and its condition of use to be developed. Boxes to include IT</p>	<p>Checklist developed for new starters and terminated employees has been developed. 24/02/2020</p>

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
					accesses and permissions and signed by the Manager.	
7.	Testing found exceptions where tender and payment procedures had not been complied with.	Potential for tenders to have to be readvertised	Moderate	The Tender Register be updated throughout the tendering process.  A tender checklist be completed for all tenders.  All creditor and EFT payment batch listings be consistently signed as evidence of independent review and approval.	Noted, procedures will be reviewed	A monthly random check of Tenders, Creditors and Eft payments is now being conducted
8.	Inquiries indicated there is no documented "Terms of Use Agreement" in place with Shire employees who have been allocated store and / or fuel cards.	Abuse of privilege	Moderate	All store and / or fuel card holders sign an agreement with the Shire outlining their acknowledgment of acceptable use of the store / fuel card in accordance with statement policy. This	To be covered in the induction and termination document as detailed above	Included in new employee checklist. 24/02/2020

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
				agreement should also outline procedures relating to when a cardholder is on extended leave or absent from the Shire.		
9.	Credit card holders are not required to sign a 'user agreement' or 'policy acknowledgement' document'.	Abuse of privilege	Moderate	An agreement should be signed by credit card holders and the Shire setting out the card holders' responsibilities in terms of the Shire's policy and Local Government guidelines.	To be covered in the new starter induction and termination document as detailed above	Included in new employee checklist. 24/02/2020
10.	Observation of Dunnings fuel statements identified that although these are reviewed on an individual report basis, the Shire is currently not holistically analysing fuel usage by asset for inappropriate use i.e. there is no analysis to review fuel usage on an overall basis for each	Potential for excess wastage and abuse of privilege	Moderate	The Shire investigate an appropriate method to analyse the use of fuel holistically. This spreadsheet should capture each Shire motor vehicle and detail every transaction in a chronological order. Once established, the fuel usage per asset	Noted, will review current procedures.	Currently reviewing options.

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
	asset, on a periodic or sample basis.			could be analysed to determine whether the employee is fuelling up several times a day, over the weekend, late at night or if excessive fuel purchased against the expected route the employee is travelling etc.		
11.	During the payroll testing, it was noted there were exceptions pertaining to the audit sample of reports and employee deductions.	Potential for miscalculations and over or underpayment	Moderate	<p>All payroll reports be independently reviewed and evidence of this review is documented in the form of a physical sign-off;</p> <p>Termination checklists be completed for all terminated employees, reviewed and approved by the management; and</p> <p>All deductions from employee wages are supported by an</p>	<p>All payroll reports are now signed. The checks and balances are all done. However previously not signed.</p> <p>All terminations are signed as checked by the Accountant. Termination Form to be developed</p> <p>The process for deductions has been changed to</p>	Procedures implemented 24/02/2020

REVIEW FINDINGS & RECOMMENDATIONS						
	Observation	Potential Risks	Rating	Recommendation	Management Comment	Progress
				authorised deduction form.	file all amendments in personnel files as per the recommendation	
12.	Review of annual leave accrual as at 30 April 2019 indicated instances where seven employees had annual leave accrued balances in excess of 300 hours each.	Excessive payouts at termination	Low	Employees take regular leave through ongoing management of leave scheduling and leave liabilities.	Noted, leave balances will continue to be monitored	Leave balances have been reviewed and a policy has been presented to the Committee to recommend to Council for. 24/02/2020
13.	The scope and approach to the Budget preparation, review and reports was examined to ensure compliance and efficiency. It noted the Shire's Risk Management Policy was due for review in 2017 and still references the former AS/NZS 31000:2009 standard as opposed to the updated version AS/ISO 31000:2018.	Inability to check risk and maintain systems in accordance with latest standards	Low	The Shire review and update the Risk Management Policy accordingly.	Policy will be updated.  Guidance on Risk Assessment was provided as per Guidelines Standard AS ISO 31000-2018 and noted.	Councils Risk Management Policy was updated and adopted by Council on the 18/09/2020, motion C.3760

## 5.11 RISK REGISTER

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	
<b>File Reference:</b>	8.2.7.1
<b>Reporting Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Responsible Officer:</b>	Jason Whiteaker Chief Executive Officer
<b>Officer Declaration of Interest:</b>	NIL
<b>Voting Requirement:</b>	Simple majority
<b>Press release to be issued:</b>	No

### BRIEF

To provide Council with information pertaining to the organisational risk register

### ATTACHMENTS

Attachment 1: Overdue Non-compliant Risks.  
Attachment 2: Risk Register.

### 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 Area6: 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 \$27,000 per annum for the Promapp system. Promapp is used for process mapping, risk management and OHS management.

### B.3 Legislative Compliance

AS/NZS ISO 31000:2009

### B.4 Policy Implications

Council has recently endorsed policy G1.11 – Risk Management

### B.5 Stakeholder Engagement / Consultation

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

### B.6 Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Nil.	N/A	N/A
Health & Safety	Nil.	N/A	N/A
Reputation	Negative community perception due to lack of adequate risk management practices within the Shire of Northam	Moderate Minor/Possible 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.	Moderate Minor/Possible 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 82 risk mitigation/treatment strategies, of which 7 are overdue (which equates to 8.5%)

**2.1 TREATMENT MC00042**

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

**Progress**

Audit has been completed, waiting for final report and recommended actions.

**2.2 TREATMENT MC00046**

OHS Policy Framework in place and reviewed

**Progress**

Currently finalising formal framework

**2.3 TREATMENT MC00068**

Aquatic facility Project Superintendent (Donovan Payne) reports to be provided monthly

**Progress**

Project report not provided at time of writing report. Will be received in coming weeks.

**2.4 TREATMENT MC00005**

Review Human Resource Plan to ensure it is reflective of strategic community plan

**Progress**

Review completed, waiting to present plan to new Council

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.153**

**Moved: Cr Pollard**

**Seconded: Cr Mencshelyi**

**That Council receive February 2020 Shire of Northam Risk Register update.**

**CARRIED 4/0**

Attachment 1

Overdue / Non-Compliant Risks



Filter: Overdue / Non-compliant

**RESIDUAL**  
 9.6  
 HIGH

**INHERENT**  
 12.0

R00023

CORPORATE SERVICES, SERVICE INTERRUPTION

**Failure of IT &/or Communications Systems and Infrastructure**

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

OWNER: Colin Young

CREATED: 01/07/2019 14:58:09

LIKELIHOOD: Possible

SEVERITY: Major

CONTROL EFFECTIVENESS: Adequate

TREATMENT MC00047

Data Back-up Systems in place and documented

**NON-COMPLIANT**

SIGNOFF(S): Colin Young

DUE DATE: 30 Sep 2019

FREQUENCY: The last Day of every 12 months

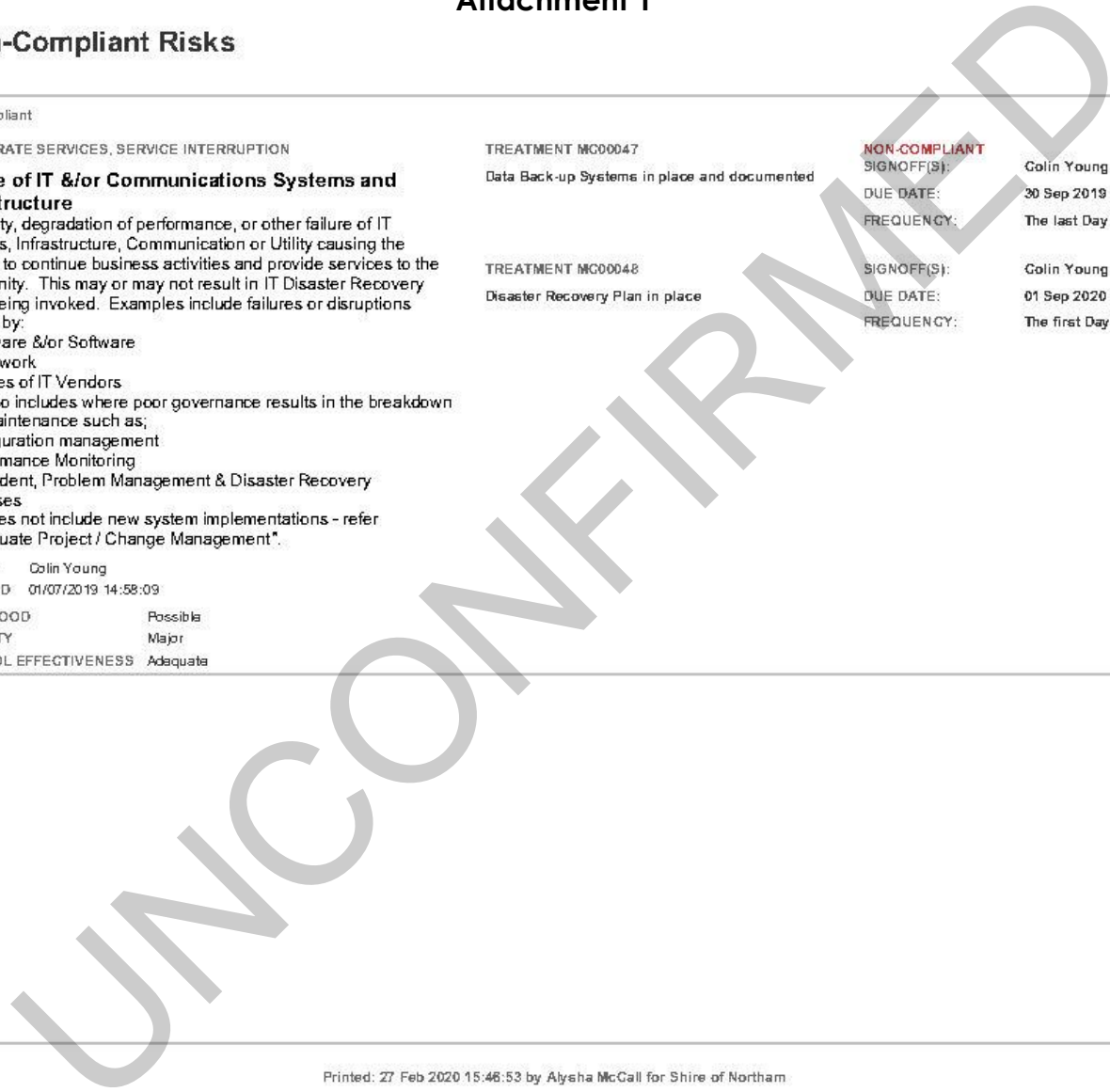
TREATMENT MC00048

Disaster Recovery Plan in place

SIGNOFF(S): Colin Young

DUE DATE: 01 Sep 2020

FREQUENCY: The first Day of every 12 months



RESIDUAL  
**7.2**  
 MODERATE

INHERENT  
**9.0**

R00018

CHIEF EXECUTIVES OFFICE, REPUTATION - COMMUNITY

**Inadequate engagement with Community / Stakeholders / Elected Members**

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

OWNER Jason Whiteaker  
 CREATED 19/08/2019 09:07:22

LIKELIHOOD Possible  
 SEVERITY Medium  
 CONTROL EFFECTIVENESS Adequate

TREATMENT MC00032  
 Current Community Engagement Plan in Place

TREATMENT MC00033  
 Biennial Customer Satisfaction & Community Needs Survey

**OVERDUE**  
 SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 30 Sep 2019  
 FREQUENCY: The first Day of every 112 months

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 01 Sep 2021  
 FREQUENCY: The first Day of every 24 months

UNCONFIRMED



RESIDUAL  
**4.8**  
 MODERATE

INHERENT  
**16.0**

R00022

CHIEF EXECUTIVES OFFICE, HEALTH & SAFETY - OCCUPATIONAL

**Inadequate safety and security practices**

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

OWNER Jason Whiteaker  
 CREATED 01/07/2019 14:48:30

LIKELIHOOD Likely  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00041  
 Undertake OHS Audit

SIGNOFF(S): Bev Jones  
 DUE DATE: 01 Sep 2021  
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00042  
 Implement recommendations from OHS Audit & Report to Audit & Risk Committee

SIGNOFF(S): Bev Jones  
 DUE DATE: 31 May 2020  
 FREQUENCY: The last Day of every 4 months

TREATMENT MC00043  
 OHS Committee Meeting Regularly

SIGNOFF(S): Bev Jones  
 DUE DATE: 31 Mar 2020  
 FREQUENCY: The last Day of every 3 months

TREATMENT MC00044  
 Toolbox meetings occurring and discussing safety (attach minutes/notes to sign off)

SIGNOFF(S): Clinton Kleynhans  
 DUE DATE: 29 Feb 2020  
 FREQUENCY: The last Day of every month

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

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 31 Mar 2020  
 FREQUENCY: The last Day of every 6 months

TREATMENT MC00046  
 OHS Policy Framework in place and reviewed

**NON-COMPLIANT**  
 SIGNOFF(S): Bev Jones  
 DUE DATE: 30 Aug 2019  
 FREQUENCY: The last Day of every 12 months

TREATMENT MC00095  
 Undertake Workplace Safety Inspections - Undertake Inspection OSH inspections undertaken for each site.

**CHANGE(S) PENDING**  
 SIGNOFF(S): Colin Young  
 Clinton Kleynhans  
 Ross Rayson  
 DUE DATE: 29 Feb 2020  
 FREQUENCY: The last Day of every month

TREATMENT MC00053  
 Project management framework in place, providing parameters for staff to operate within

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 31 Jul 2020  
 FREQUENCY: The last Day of every 12 months

RESIDUAL  
**3.6**  
 LOW

INHERENT  
**12.0**

R00027

MAJOR PROJECT - AQUATIC FACILITY, FINANCIAL - OPERATIONAL, HEALTH & SAFETY, PROPERTY - LIABILITY, REPUTATION - COMMUNITY, STRATEGIC - COMMUNITY

**Ineffective Project Management**  
 Project not managed effectively

OWNER Jason Whiteaker  
 CREATED 01/07/2019 16:29:57

LIKELIHOOD Possible  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00054

Major Project status reporting to Council (through monthly elected member report)

SIGNOFF(S): Alysha McCall  
 DUE DATE: 07 Mar 2020  
 FREQUENCY: 7th day of every month

TREATMENT MC00064

Independent Project Superintendent appointed with requisite skills to acknowledge scale and complexity of this project

SIGNOFF(S): Jason Whiteaker  
 DUE DATE:  
 FREQUENCY: Once

TREATMENT MC00067

Construction project progress reports to be provided

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 05 Mar 2020  
 FREQUENCY: 5th day of every month

TREATMENT MC00068

Project Superintendent (Donovan Payne) reports to be provided monthly

**OVERDUE**  
 SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 19 Feb 2020  
 FREQUENCY: 19th day of every month

TREATMENT MC00069

Financial variations to be signed off by Project Manager

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 05 Mar 2020  
 FREQUENCY: 5th day of every month

TREATMENT MC00070

All request for information and clarification to be signed off / cited by Council Project Manager

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 05 Mar 2020  
 FREQUENCY: 5th day of every month

TREATMENT MC00071

Project assessment / evaluation to be undertaken at completion and reported to audit committee

**OVERDUE**  
 SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 16 Feb 2020  
 FREQUENCY: Once

TREATMENT MC00074

Project time delays to be signed off in accordance with contract

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 05 Mar 2020  
 FREQUENCY: 5th day of every month

RESIDUAL  
**3.6**  
 LOW

INHERENT  
**12.0**

R00030

MAJOR PROJECT - AQUATIC FACILITY, FINANCIAL - OPERATIONAL

**Grant partners milestones not met**  
 Funding organisations require regular reporting, failure to do so may result in withdrawal of funds

OWNER Jason Whiteaker  
 CREATED 01/07/2019 18:48:18

LIKELIHOOD Possible  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00072

Department of Sport & Recreation milestone reports provided

SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 31 May 2020  
 FREQUENCY: The last Day of every 5 months

TREATMENT MC00073

Federal Building Better Regions Fund milestone reporting

**OVERDUE**  
 SIGNOFF(S): Jason Whiteaker  
 DUE DATE: 31 Dec 2019  
 FREQUENCY: The last Day of every 5 months

RESIDUAL  
**3.6**  
 LOW

INHERENT  
**12.0**

R00041

AMP - BUILDINGS, ENVIRONMENTAL - BUILT, HEALTH & SAFETY

**Condition of buildings is unknown**  
 Council is unclear as to the condition of its building assets and therefore unable to make informed decisions, resulting in poor building condition and building safety concerns

OWNER Shane Moorhead  
 CREATED 18/07/2019 11:28:43

LIKELIHOOD Possible  
 SEVERITY Major  
 CONTROL EFFECTIVENESS Strong

TREATMENT MC00019

Up to date and accurate building asset management plan in place

SIGNOFF(S): Clinton Kleynhans  
 Colin Young  
 DUE DATE: 01 Jun 2021  
 FREQUENCY: The first Day of every 24 months

TREATMENT MC00090

Revaluations of Council Building Assets (Fair Value)

SIGNOFF(S): Colin Young  
 DUE DATE: 04 Oct 2021  
 FREQUENCY: The first Day of every 60 months

TREATMENT MC00093

Develop and maintain medium term building maintenance program to ensure future costs are understood

**NON-COMPLIANT**  
 SIGNOFF(S): Shane Moorhead  
 DUE DATE: 22 Nov 2019  
 FREQUENCY: The first Day of every 12 months

## 5.12 MONTHLY COMPLIANCE REPORT FOR 2019

<b>Address:</b>	N/A
<b>Owner:</b>	Shire of Northam
<b>Applicant:</b>	N/A
<b>File Reference:</b>	1.6.1.6
<b>Reporting Officer:</b>	Cheryl Greenough, Governance/Administration Coordinator
<b>Responsible Officer:</b>	Jason Whiteaker, Chief Executive Officer
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Simple Majority
<b>Press release to be issued:</b>	No

### BRIEF

This report is to provide Council with an overview of the Shire's monthly compliance activities.

### ATTACHMENTS

Attachment 1: December 2019 Compliance Calendar.  
Attachment 2: December 2019 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. The Shire of Northam considered ways of ensuring this compliance was met on a monthly basis and to fulfil this role, commenced a monthly Compliance Calendar.

### 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	Potential disruption to purchases	Moderate (6)	Ensure Calendar is followed
Health & Safety	Possible disruption to safety	Low (2)	Ensure any areas related to safety are followed
Reputation	The potential exists for legal ramifications	High (10)	Ensure legislation is followed
Service Interruption	If the calendar is not followed there is potential for certain services not to be provided on time.	Low (3)	Ensure Calendar is maintained
Compliance	The Legislative requirements of Council can be missed in error.	High (10)	A compliance Calendar provides the mechanism to ensure Legislation is adhered to
Property	N/A		
Environment	N/A		

### C. OFFICER'S COMMENT

The monthly Compliance Calendar is an effective tool which will be used to assist in populating the Annual Compliance Audit Return (CAR) and will ensure



the Shire is able to identify and manage any issue which may arise during the year in a timely manner.

Month	Item	% compliance	Non Compliance
March	Crossover approvals	97%	Register not completed
	Random Creditor check	80%	2 items not compliant, no invoice attached
April	Temporary closure of roads	97%	flying 50's was not on the register
	Random Creditor check	90%	1 item not compliant, P/O not attached
May	Gift Register	98%	Gift register not up to date on website
	Random Creditor check	70%	3 purchase orders written after the invoice date
June	Calendar	100%	
	Random Creditor checks	60%	4 purchase orders written after the invoice date
July	Calendar	100%	Compliant
	Random Creditor checks	100%	Compliant
August	Financial interest register	97.5%	Not up to date on website
	Random Creditor check	70%	3 not compliant – 2 checklist not completed correctly; 1 P/O written after invoice.
Sept	Calendar	100%	
	Random Creditor Check	60%	Minor items not being completed such as not ticking boxes
Oct	Tenders	97.142%	Rangers did not complete the tender process correctly – they were advised, and it was completed

	Random Creditor Check	80%	3 items were not correct. One P/O written 5 days later, Less than \$3,000 was ticked when it was over \$3,000 and no quotes supplied
Nov	Calendar	100%	In the October meeting all declarations were registered but in the Minutes one was listed as impartiality and should have been Financial
	Random Creditor Check	100%	
Dec	Calendar	100%	
	Random Creditor Check	90%	One P/O written a day later.

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.154**

**Moved: Cr Pollard**

**Seconded: Cr Ryan**

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

**CARRIED 4/0**

Five people entered the meeting at 5:12pm and left the meeting at 5:13pm.

### Attachment 1

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	No major undertakings in December	CP
Local Government Act 1995	S5.16	CEO	Is the delegations register current (ie not more than 12 months old)		Annually - June	The delegations register is not current on the website	CP
Local Government Act 1995	S5.67	CFO	Where an elected member disclosed a financial interest, did they leave the meeting and not participate in discussion or decision making on the item		Monthly	yes, all elected members who expressed a financial interest departed the room. 2 proximity interests were declared.	CP
Local Government Act 1995	S5.65 & s.73	CLO	Were all known elected member and staff disclosures of impartiality made at the Council meeting		Monthly	yes, to our knowledge 17 impartial declarations were all made	CP
Local Government Act 1995	S5.73 & S103	CEO	Were ALL disclosures recorded in the minutes		Monthly	yes, all 19 disclosures were recorded.	CP
Local Government Act 1995	S5.75	CEO	Have primary returns been lodged within 3 months of elected member 'start dates'		Annually - January	Not due until the end of January. All except for one have been lodged	CP
Local Government Act 1995	S5.76	CEO	Have all new 'designated' employees completed their primary returns within 3 months of commencement		Monthly	yes	CP
Local Government Act 1995	S5.88	CEO	Is the register of financial interests up to date		Monthly	yes	CP
Local Government Act 1995	S5.89	CEO	Have all resigned members and staff returns been removed from the financial interest register		Monthly	None to date	CP
Local Government Act 1995	S103	CFO	Is the gift register up to date and on the Council website		Monthly	yes last entry 23/12/19	CP
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	The Shire has not, however the Speedway has been sold to Rick Masurra.	CP
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 this month	CP
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	Not applicable	CP
Local Government Act 1995	S3.57 & F/G Reg 14	EMCS	Was state wide public notice given for all tenders		Monthly	Not applicable	CP
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	None for the month of December	CP
Local Government Act 1995	F/G Reg 18	EMCS	Rejecting and accepting Tenders		Monthly	Not applicable	CP
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	Not applicable	CP
Local Government Act 1995	F/G Reg 18 (4)	EMCS	Written evaluation of each Tenderer's criteria		Monthly	Not applicable	CP
Local Government Act 1995	F/G Reg 17	EMCS	Tender Register to be maintained and available for inspection		Monthly	Not applicable	CP
Local Government Act 1995	F/G Reg 19	EMCS	Tenderers to be notified of outcome		Monthly	Not applicable	CP
Local Government Act 1995	F/G Reg 24AD (2)	EMCS	Statewide Public Notice of the invitation to apply to join a pre-qualified panel		Monthly	Not applicable	CP
Local Government Act 1995	F/G Reg 24AD (4)	EMCS	Notice to include brief description of goods and services to be supplied by pre-qualified panel		Monthly	Not applicable	CP
Local Government Act 1995		EMCS	Annual report accepted		31-Dec	Completed at the December meeting	CP
Local Government Act 1995		Governance	Review meeting attendance		Quarterly	Attendance has been within the parameters of the Act with the exception of one elected member who is no longer a member	CP
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	Not yet completed	CP
	Delegation - B02	EMDS	Buildings - Grant or Refuse Demolition Permit - register completed?		Monthly	Yes, old house in sub division	CP
	Delegation - E01	EMES	Temporary Closure of Thoroughfares to vehicles		Monthly	Yes Decision made 28/11 Fitzgerald Street for Xmas party	CP
	Delegation - E04	EMES	Crossover Approvals		Monthly		CP
	Delegation - F02	EMCS	Disposal of Council property		Monthly	N/A	CP
	Delegation - F04	EMCS	Inviting Tenders		Monthly	None	CP
	Delegation - F05	CEO	Waving of fees		Monthly		CP
	Delegation - F06	CEO	Disposing of Property by Lease or Licence		Monthly	None completed, there are several awaiting completion	CP
	Delegation - R01	EMDS	Approval to keep more than one cat or dog		Monthly	N/A	CP
		EMCS	Interim Audit		Annually	Completed	CP
		EMCS	Accounts presented to Council		Monthly	Completed monthly	CP
		EMCS	Financial Report to Council		Monthly	Completed monthly	CP
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	Done	CP
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	Done	CP

Attachment 2

RANDOM PURCHASE AUDIT DECEMBER 2019.

EFT #	Creditor	Order #	Invoice Amount	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
35181	Grove Wesley Art Design	56130	105	187	21/10/2019	Exec Comm	yes	yes	yes
35191	McLeods Barristers	35191	934	934	None	Senior Building Surveyor	yes	No	N/A
35198	PFD Food Services	35198	973	973	17/09/2054	Recreation Services	yes	yes	same day
35213	Vernice P/L	56436	14,960	14,960	11/11/2019	Exec Development Services	yes	yes	yes
35324	Power Music P/L	35324	4,180	4,180	21/11/2019	Manager Tourism	yes	yes	yes
35335	Western Australian Electoral Commission	56796	32,933	32,933	28/11/2019	EMCORPS	yes	yes	yes
35282	Applied Industrial Technologies	56711	110	90	3/12/2019	Parks & Gardens	yes	yes	same day
35290	Brick Mart	56566	57	57	21/11/2019	Parks & Gardens	yes	yes	yes
35306	Instant Product Hire	56564	1,562	1,562	21/11/2019	Tourism	yes	yes	yes
35312	Navigator Photographics	56908	2,800.00	850.00	17/12/2019	EMCOMS	yes	yes	no

### 5.13 COMPLIANCE AUDIT RETURN 2019

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

#### BRIEF

This report is to assist Council to adopt the 2019 Compliance Audit Return (CAR).

#### ATTACHMENTS

Attachment 1: 2019 Compliance Audit Return

#### A. BACKGROUND / DETAILS

Under the Local Government (Audit) Regulations 1996, a Local Government is required to carry out a Compliance Audit for the period 1 January to 31 December of each year. The certified return should be submitted to the Director General, Department of Local Government and Regional Development by 31 March each year.

The Compliance Audit Return must be:

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

In relation to the year 2019 a copy of the return is to be submitted for Councillor's perusal, comment and adoption prior to 31 March 2020. It is necessary for the Shire President and the Chief Executive Officer to sign off the return as a certified copy.

The 2019 Compliance Audit Return has been completed in house, with the CEO and senior staff reviewing and approving the completed return. The compliance review process provides both the CEO and the Council with an

additional element of accountability through a check on internal management systems, procedures and record keeping and this demonstrates the Shire's emphasis on improving its good governance, compliance, and best practice.

## B. CONSIDERATIONS

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

Theme Area 1: Economic Growth.

Outcome 1.2: Local businesses are valued and supported by investors and residents within the Shire of Northam.

Objective: Encourage local consumers to 'buy local' and support local businesses.

### B.2 Financial / Resource Implications

Nil.

### B.3 Legislative Compliance

- *Local Government Act 1995;*
- *Local Government (Functions and General) Regulations 1996;*
- *Local Government (Administration) Regulations 1996;*
- *Local Government (Elections) Regulations 1997;*
- *Local Government (Audit) Regulations 1996;*
- *Local Government (Rules of Conduct) Regulations 2007.*

### B.4 Policy Implications

Nil.

### B.5 Stakeholder Engagement / Consultation

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

### B.6 Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Nil		
Health & Safety	Nil		
Reputation	Nil		
Service Interruption	Nil		
Compliance	It is a Legislative requirement of Council which must be adhered to.	Med (1)	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 2018 was in general extremely good. Each year the Shire strives to improve the services it provides to stakeholders both internal and external. The 2019 CAR is a further improvement on previous years.

This year there were eleven (11) categories with a total of one hundred and four (104) questions.

1. Commercial Enterprises – As there were none for 2019 there is 100% compliance.
2. Delegation of Power/Duty – There was 100% compliance
3. Disclosure of Interests – There has been a 94.7% compliance
4. Disposal of Property – 100% compliance
5. Elections – 100%
6. Finance – 100% compliance
7. Integrated Planning and Reporting – 100% compliance
8. Local Government Employees – 100% compliance
9. Official Conduct – 100% compliance
10. Optional Questions -
11. Tenders and Providing Goods and Services – 100% compliance.

In relation to Disclosure of Interest item 14, the reason we were not compliant on this occasion is that two officer's names were left in the Annual Returns register after their employment with the Shire came to an end. One officer left on 24 December 2019 and therefore was not removed due to office closures and annual leave and the other officer was a casual whom has not returned to work and may or may not be used in the future.

**RECOMMENDATION / COMMITTEE DECISION**

**Minute No: AU.155**

**Moved: Cr Pollard**

**Seconded: Cr Ryan**

**That Council adopt the Audit Compliance Return 2019 as attached for submission to the Department of Local Government and Communities.**

**CARRIED 4/0**

## Attachment 1



### Northam - Compliance Audit Return 2019

#### 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 section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2019?	N/A	None were undertaken for 2019	CHERYL GREENOUGH
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2019?	N/A	None were undertaken for 2019	CHERYL GREENOUGH
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	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 2019?	N/A	None for 2019	CHERYL GREENOUGH
4	s3.59(4)	Has the local government complied with public notice and publishing requirements of each proposal to commence a major trading undertaking or enter into a major land transaction for 2019?	N/A	No major trading or land transaction	CHERYL GREENOUGH
5	s3.59(5)	Did the Council, during 2019, resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	None undertaken	CHERYL GREENOUGH

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority?	N/A	There are no committees with delegated authority	CHERYL GREENOUGH
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing?	N/A	As above	CHERYL GREENOUGH
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17?	N/A	As above	CHERYL GREENOUGH
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations?	N/A	As above	CHERYL GREENOUGH
5	s5.18	Has Council reviewed delegations to its committees in the 2018/2019 financial year?	Yes	19/6/19 Ordinary Council Meeting Minute number C3687	CHERYL GREENOUGH
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act?	Yes	This was made clear in the report for the June meeting	CHERYL GREENOUGH
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority?	Yes	Yes they were. There was one new delegation based on new legislation for Building.	CHERYL GREENOUGH
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing?	Yes	Yes in the form of Minute number C3687	CHERYL GREENOUGH
9	s5.44(2)	Were all delegations by the CEO to any	Yes	Yes all delegations have	CHERYL





		employee in writing?		been in writing.	GREENOUGH
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	N/A	No such decisions have been made.	CHERYL GREENOUGH
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees?	Yes	Yes he has	CHERYL GREENOUGH
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2018/2019 financial year?	Yes	Yes they are reviewed annually This year it was 19/6/2019 Item 12.1.1	CHERYL GREENOUGH
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 as required?	Yes	To our knowledge each time a delegations was used it was registered	CHERYL GREENOUGH

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)?	Yes	All members who disclosed an interest under s5.67 left the room.	CHERYL GREENOUGH
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings?	N/A	No decision to allow a member to remain occurred	CHERYL GREENOUGH
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made?	Yes	In all meeting that disclosures were made they were recorded	CHERYL GREENOUGH
4	s5.73	Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council?	N/A	There has not been any gift related interests provided by the CEO	CHERYL GREENOUGH
5	s5.73	Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided?	N/A	No gift related interests. However if the CEO had an interest in an item written by an employee he did declare an interest. Item 12.3.4 20/2/19	CHERYL GREENOUGH
6	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day?	Yes	All were lodged within required timeframe.	CHERYL GREENOUGH
7	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day?	Yes	Two completed within two months of commencement	CHERYL GREENOUGH
8	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2019?	Yes	Yes all lodged before 31 August	CHERYL GREENOUGH
9	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August	Yes	Yes	CHERYL GREENOUGH



2019?						
10	s5.77		On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return?	Yes	All were acknowledged	CHERYL GREENOUGH
11	s5.88(1)(2) Admin Reg 28		Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76?	Yes		CHERYL GREENOUGH
12	s5.88(1)(2) 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 and 5.71, in the form prescribed in Administration Regulation 28?	Yes	A record has been kept	CHERYL GREENOUGH
13	s5.89A Admin Reg 28A		Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A?	Yes	Both hard copy and on line	CHERYL GREENOUGH
14	s5.88 (3)		Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76?	No	One Rangers Annual Return was still in the file. He terminated 24/12/19 and the office was closed until 2/1/20. One causal Health Officer has been left on file. Both have now been removed.	CHERYL GREENOUGH
15	s5.88(4)		Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee?	Yes	All kept in Records office	CHERYL GREENOUGH
16	s5.103 Admin Reg 34C & Rules of Conduct Reg 11		Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes?	Yes	Yes all declarations were recorded in the Minutes	CHERYL GREENOUGH
17	s5.70(2)		Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report?	Yes	The nature of the interest was written and logged in the Minutes	CHERYL GREENOUGH
18	s5.70(3)		Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee?	Yes	All disclosures have the extent included	CHERYL GREENOUGH
19	s5.103(3) Admin Reg 34B		Has the CEO kept a register of all notifiable gifts received by Council members and employees?	Yes	All that we have been made aware of.	CHERYL GREENOUGH



Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5))?	Yes	Sale of four properties was advertised. Lease of one property was advertised for the airport.	CHERYL GREENOUGH
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?	Yes	Yes all details were provided of location of land, cost, size of land and to whom it was being disposed	CHERYL GREENOUGH
Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 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 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 candidates?	Yes		CHERYL GREENOUGH
2	Elect Reg 30G(3) &(4)	Did the CEO remove any 'disclosure of gifts' forms relating to an unsuccessful candidate or a successful candidate that completed the term of office from the electoral gift register, and retain those forms separately for a period of at least 2 years?	N/A	There were no completed forms that required removal	CHERYL GREENOUGH
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	They have been appointed in accordance with section 7.1A	CHERYL GREENOUGH
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	No delegated authority	CHERYL GREENOUGH
3	s7.3(1)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor?	Yes	By the Auditor General's office	CHERYL GREENOUGH
4	s7.3(1), 7.6(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 CEO is required to provide the Auditor General with Audit documents. Reg 9A	CHERYL GREENOUGH
5	Audit Reg 10	Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit?	Yes	The report was ready for sign-off on 27 November 2019 and was presented to the Audit Committee Meeting 4/12/19	CHERYL GREENOUGH
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2019	Yes	Received 2/12/19	CHERYL GREENOUGH



		received by the local government by 31 December 2019?			
7	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 specific matters were raised by the Auditor General as requiring any action	CHERYL GREENOUGH
8	S7.12A (4)	Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report?	N/A	No specific matters were raised by the Auditor General for actioning	CHERYL GREENOUGH
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	A copy of the report was published on the website the following day	CHERYL GREENOUGH
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit?	Yes	The Audit was managed by the Auditor General as per new legislation	CHERYL GREENOUGH
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit?	N/A	Now conducted by the Office of the Auditor General as per new legislation	CHERYL GREENOUGH
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit?	N/A	Now conducted by the Office of the Auditor General	CHERYL GREENOUGH
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor?	N/A	Now conducted by the Office of the Auditor General	CHERYL GREENOUGH
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor?	N/A	Now conducted by the Office of the Auditor General. Audit was conducted in house and emails and hard copied were provided	CHERYL GREENOUGH

#### Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	17/7/19 Item 12.1.1 Motion No: 3714 by Absolute Majority	CHERYL GREENOUGH
2	s5.56 Admin Reg 19DA (4)	Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at?	Yes	17/7/19 Item 12.1.1 Motion No: 3714 by Absolute Majority	CHERYL GREENOUGH
3	s5.56 Admin Reg 19C	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	16/8/17 Item 12.1.1 Motion No: 3105	CHERYL GREENOUGH
4	s5.56 Admin Reg	Has the local government reviewed the	N/A	16/8/17 Item 12.1.1	CHERYL



19C (4)		current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments.  Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments?		Motion No: 3105	GREENOUGH
5	S5.56 Admin Reg 19DA (3)	Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments?	Yes	The Asset Management Plan was adopted in 2013. A Transport Asset Management Plan was adopted 25/1/2017 Minute:2925 The Building Asset Management Plan was updated in 2019	CHERYL GREENOUGH
6	S5.56 Admin Reg 19DA (3)	Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments?	Yes	Adopted 23/1/19 Motion 3578	CHERYL GREENOUGH
7	S5.56 Admin Reg 19DA (3)	Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments?	Yes	18/12/19 Item 12.1.1. Motion 3839	CHERYL GREENOUGH

#### Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	There has not been any new appointments of CEO	CHERYL GREENOUGH
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A?	N/A	See above	CHERYL GREENOUGH
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)?	N/A	See above	CHERYL GREENOUGH
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only)?	N/A	see above	CHERYL GREENOUGH
5	s5.37(2)	Did the CEO inform Council of each proposal to employ or dismiss a designated senior employee?	N/A	No new Senior officers have been employed during 2019	CHERYL GREENOUGH



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer?	Yes	The Executive Manager Corporate Services has been designated	CHERYL GREENOUGH
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c)?	Yes	Yes a register has been maintained	CHERYL GREENOUGH
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made?	Yes	Yes it is done in accordance with s5.107(2)	CHERYL GREENOUGH
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint?	Yes	In accordance with s5.107(2)(a)	CHERYL GREENOUGH
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred?	Yes		CHERYL GREENOUGH
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c)?	Yes		CHERYL GREENOUGH
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 Local Government (Financial Management) Regulation 5(2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	Yes	Audit Committee 9/10/19 Minute AU133 Adopted by Council 16/10/19 Item 11.2 Minute 3779	CHERYL GREENOUGH
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 Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	Yes	Reviewed at Audit Committee Meeting 12/12/19	CHERYL GREENOUGH
3	Financial Management Reg 5A.	Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019?	Yes	It was presented in the report however the meeting was not held until 22/1/20.	CHERYL GREENOUGH



4	S6.4(3)	Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019?	Yes	Report submitted 3/9/19	CHERYL GREENOUGH
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Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))?	Yes		CHERYL GREENOUGH
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract?	N/A	No multiple contracts were undertaken to avoid the tendering process	CHERYL GREENOUGH
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice?	Yes		CHERYL GREENOUGH
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16?	Yes		CHERYL GREENOUGH
5	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?	Yes		CHERYL GREENOUGH
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16?	Yes	Displayed in the tender Register	CHERYL GREENOUGH
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender?	N/A	All viable tenders were submitted on time.	CHERYL GREENOUGH
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria?	Yes	Each tender was assessed on value for money and ability to provide the required service	CHERYL GREENOUGH
9	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?	Yes		CHERYL GREENOUGH
10	F&G Reg 19	Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no	Yes		CHERYL GREENOUGH



tender was accepted?					
11	F&G Reg 21 & 22	Did the local governments advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22?	N/A	No expressions of interest under these Regulation were called	CHERYL GREENOUGH
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice?	N/A		CHERYL GREENOUGH
13	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?	N/A		CHERYL GREENOUGH
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24?	N/A		CHERYL GREENOUGH
15	F&G Reg 24AC (1) & (2)	Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations?	No	A policy is being written however has not yet been adopted by Council	CHERYL GREENOUGH
16	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice?	No	No invitation was sent in 2019	CHERYL GREENOUGH
17	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE?	N/A	No advertisement has been placed as there is no panel selection	Cheryl Greenough
18	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 panel application?	N/A	No panel has been offered or received	CHERYL GREENOUGH
19	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, given notice of the variation?	N/A	No panel has been negotiated	CHERYL GREENOUGH
20	F&G Reg 24AH(1)	Did the local government reject the 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	No applications to join a panel has been offered	CHERYL GREENOUGH
21	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria?	N/A		CHERYL GREENOUGH
22	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?	N/A	No Panels have been activated	CHERYL GREENOUGH
23	F&G Reg 24AI	Did the CEO send each person who submitted an application, written	N/A		CHERYL GREENOUGH





Department of  
**Local Government, Sport  
and Cultural Industries**

		notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted?			
24	F&G Reg 24E	Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy?	Yes	The Policy is active	CHERYL GREENOUGH
25	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy?	Yes	Local Price Preference Policy F4.4	CHERYL GREENOUGH
26	F&G Reg 11A	Does the local government have a current purchasing policy that comply 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, \$150,000 or less?	Yes	Purchasing and Tendering Policy F4.2	CHERYL GREENOUGH
27	F&G Reg 11A	Did the local government comply with it's current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be \$150,000 or less or worth \$150,000 or less?	Yes	On one or two occasions a purchase order was written after receipt of the invoices. Random checks of purchases occur monthly which flags any re-curing issues.	CHERYL GREENOUGH

I certify this Compliance Audit return has been adopted by Council at its meeting on \_\_\_\_\_

CHRISTOPHER ANTONIO  
President Shire of Northam

JASON WHITEAKER  
CEO Shire of Northam

## 6. URGENT BUSINESS APPROVED BY DECISION

Nil.

## 7. DATE OF NEXT MEETING

Meeting schedule for 2020:

- 28 May 2020;
- 27 August 2020; and
- 26 November.

All meetings will commence at 5:00pm.

## 8. DECLARATION OF CLOSURE

There being no further business the Presiding Member, Cr Antonio declared the meeting closed at 5.16pm.

"I certify that the Minutes of the Audit and Risk Management Committee meeting held on Thursday, 5 March 2020 have been confirmed as a true and correct record."

\_\_\_\_\_ President

\_\_\_\_\_ Date