



Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Agenda

Audit Committee Meeting

7 March 2019



NOTICE PAPER
Audit Committee Meeting
7 March 2019

Committee Members

I inform you that an Audit Committee meeting will be held in the Council Chambers, located at 395 Fitzgerald Street, Northam on 7 March 2019 at 3:00pm.

Yours faithfully



Jason Whiteaker
Chief Executive Officer

DISCLAIMER

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

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

No responsibility whatsoever is implied or accepted by the Shire of Northam for any act, omission, statement or intimation occurring during Council or Committee meetings.

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

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

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

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

The Shire of Northam advises that any plans or documents contained within this agenda may be subject to copyright law provisions (*Copyright Act 1968*, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. It should be noted that copyright owners are entitled to take legal action against any persons who infringe their copyright. A reproduction of material that is protected by copyright may represent a copyright infringement.

Contents

1.	DECLARATION OF OPENING	5
2.	ATTENDANCE.....	5
	2.1 APOLOGIES.....	5
	2.2 APPROVED LEAVE OF ABSENCE	5
3.	DISCLOSURE OF INTERESTS.....	5
4.	CONFIRMATION OF MINUTES	5
	4.1 COMMITTEE MEETING HELD 13 NOVEMBER 2018	5
5.	COMMITTEE REPORTS	6
	5.1 INTRODUCTION MEETING WITH THE OFFICE OF AUDITOR GENERAL..	6
	5.2 COMPLIANCE AUDIT RETURN	8
	5.3 PROGRESS TOWARD BETTER PRACTICE REVIEW REPORT.....	22
	5.4 PROGRESS TOWARDS CUSTOMER SERVICE AUDIT	30
	5.5 PROGRESS TOWARD PROCUREMENT PROCESS REVIEW REPORT.....	39
	5.6 PROGRESS TOWARDS THE SAFETY & RISK MANAGEMENT PLAN.....	45
	5.7 PROGRESS TOWARDS THE REGULATION 17 REVIEW ACTION PLAN .	57
6.	URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION .	78
7.	DATE OF NEXT MEETING	78
8.	DECLARATION OF CLOSURE	78

1. DECLARATION OF OPENING

2. ATTENDANCE

Committee:

Shire President
Councillors

Cr C R Antonio
Cr A J Mencshelyi
Cr J Proud
Cr C L Davidson

Staff:

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

J B Whiteaker
C Young
A McCall
Z Macdonald
C Greenough

2.1 APOLOGIES

Nil.

2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DISCLOSURE OF INTERESTS

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

4. CONFIRMATION OF MINUTES

4.1 COMMITTEE MEETING HELD 13 NOVEMBER 2018

RECOMMENDATION

That the minutes of the Audit Committee meeting held on Tuesday, 13 November 2018 be confirmed as a true and correct record of that meeting.

5. COMMITTEE REPORTS

5.1 INTRODUCTION MEETING WITH THE OFFICE OF AUDITOR GENERAL

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

BRIEF

For Council to meet with a representative from the Office of Auditor General

ATTACHMENTS

Nil.

BACKGROUND / DETAILS

As per changes to the Local Government Act 1995 and the Local Government (Audit) Regulations 1996, as of the first of July 2018 Council is to be audited by the Office of Auditor General.

CONSIDERATIONS

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.

- Improve community access to information to ensure they are able to be informed of our activities;
- Encourage active community participation in our local government;
- Maintain a high standard of corporate governance; and
- Undertake our regulatory roles in a safe, open, accountable and respectful manner.

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

- Open, accountable and effective decision making.

Financial / Resource Implications

Nil.

Legislative Compliance

Local Government Act 1995 Division 1A Audit Committee.
Local Government (Audit) Regulations 1996.

Policy Implications

Nil.

Stakeholder Engagement / Consultation

N/A

Risk Implications

- Reputational – Nil.
- Financial – Nil.
- Compliance - Nil
- Legal – Nil.

OFFICER'S COMMENT

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

Anne will brief the Committee on changes that are likely to occur under the move to the Auditor General, Committee members & staff will then be giving the opportunity to ask questions of the Auditor General.

RECOMMENDATION

For Information Only

5.2 COMPLIANCE AUDIT RETURN

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

BRIEF

This report is for Council to adopt the Compliance Audit Return (CAR) for 2018.

ATTACHMENTS

Attachment 1: Compliance Audit Return 2018.

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 2018 a copy of the return is to be submitted for Councillor's perusal, comment and adoption by Council prior to 31 March 2019. It is necessary for the Shire President and the Chief Executive Officer to sign off the return as a certified copy.

The 2018 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.

CONSIDERATIONS

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.

Objectives:

- Implement systems and processes which deliver quality outcomes for our community; and
- Maintain a high standard of corporate governance.

Financial / Resource Implications

Nil.

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.*

Policy Implications

N/A.

Stakeholder Engagement / Consultation

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

Risk Implications

- Reputational – Moderate
 - Maintains the Shire's high standards.
- Financial - Low
 - Cost effective with no financial outlay.
- Compliance - Moderate
 - The Audit ensures the Shire maintains an open and honest workplace.
- Legal –Moderate
 - The Audit ensures the Shire is abiding by all legislative requirements.

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.

1. Commercial Enterprises – As there were none for 2018 there is 100% compliance.
2. Delegation of Power/Duty – There was 100% compliance
3. Disclosure of Interests – There was 93.75% compliance as one officer did not put in his Primary Return on time.
4. Disposal of Property – 100% compliance
5. Finance – 100% compliance
6. Integrated Planning and Reporting – 100% compliance
7. Official Conduct – 100% compliance
8. Tenders and Providing Goods and Services – There was one tender which did not have the advertisement placed with the paperwork. A minor omission which has been rectified 96% compliance.

Overall an excellent result.

RECOMMENDATION

That Council adopt the Audit Compliance Return 2018 as attached for submission to the Department of Local Government and Communities

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

Northam - Compliance Audit Return 2018

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 2018.	N/A	Northam has not undertaken any major trading in 2018	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 2018.	N/A	Northam has not undertaken any major trading in 2018	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 2018.	N/A	Northam has not undertaken any major trading in 2018	CHERYL GREENOUGH
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	N/A	Northam has not undertaken any major trading in 2018	CHERYL GREENOUGH
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A	Northam has not undertaken any major trading in 2018	CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

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	No committees have 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 2017/2018 financial year.	N/A	As above	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		CHERYL GREENOUGH
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	Sampled five meetings.	CHERYL GREENOUGH
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes	By means of Council resolution 20/6/18, 17/10/18, 21/6/17	CHERYL GREENOUGH
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		CHERYL GREENOUGH
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		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	Maintained annually after the June Council Meeting	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 2017/2018 financial year.	Yes	June 2018	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	They keep their own register of when delegation is used.	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	Have checked a sample of the minutes and all who declared 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 requests were made for a member disclosing an interest to participate	CHERYL GREENOUGH

2 of 11

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

No	Reference	Question	Response	Comments	Respondent
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		CHERYL GREENOUGH
4	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		CHERYL GREENOUGH
5	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.	No	One of the employees was away overseas. He did not disclose the reason for being late on his return.	CHERYL GREENOUGH
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		CHERYL GREENOUGH
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		CHERYL GREENOUGH
8	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		CHERYL GREENOUGH
9	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
10	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		CHERYL GREENOUGH
11	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.	Yes		CHERYL GREENOUGH
12	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		CHERYL GREENOUGH
13	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		CHERYL GREENOUGH
14	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		CHERYL GREENOUGH

3 of 11

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



No	Reference	Question	Response	Comments	Respondent
15	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		CHERYL GREENOUGH
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		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		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		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		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 authority has been delegated	CHERYL GREENOUGH
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Moore Stephens	CHERYL GREENOUGH
4	s7.3, 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.	Yes	16 March 2016 for a 3 year term. Minute No: C.2657	CHERYL GREENOUGH
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes	13 November 2018	CHERYL GREENOUGH
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes	13 November 2018	CHERYL GREENOUGH
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 by the local government, was that action undertaken.	N/A	No required actions were raised	CHERYL GREENOUGH

4 of 11

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

No	Reference	Question	Response	Comments	Respondent
8	S7.12A (4)	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 by the local government, was a report prepared on any actions undertaken.	N/A	As above	CHERYL GREENOUGH
9	S7.12A (4)	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 by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	As above	CHERYL GREENOUGH
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		CHERYL GREENOUGH
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		CHERYL GREENOUGH
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		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.	Yes		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.	Yes		CHERYL GREENOUGH
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes	Next Review due 2019	CHERYL GREENOUGH
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A		CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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. This question is optional, answer N/A if you choose not to respond.	Yes	15/8/2018	CHERYL GREENOUGH
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A		CHERYL GREENOUGH
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	16/8/17	CHERYL GREENOUGH
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	2/1/18	CHERYL GREENOUGH
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	26/6/2013	CHERYL GREENOUGH
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	15/3/17 Minute number C.2980	CHERYL GREENOUGH
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	2013 - 2017. Review is currently being finalised.	CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

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		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		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		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		CHERYL GREENOUGH
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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	Executive Manager Corporate Services	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		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		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		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

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	For any services that were intended to be over \$150,000.	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.	Yes	Consideration was given to Reg 11(2)(h) so as to comply with Reg 12. for the Aboriginal Interpretive Centre.	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

8 of 11

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

No	Reference	Question	Response	Comments	Respondent
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		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.	Yes		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		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.	No	One did not have the advertisement listed but has been rectified	CHERYL GREENOUGH
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		CHERYL GREENOUGH
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		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	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		CHERYL GREENOUGH
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		CHERYL GREENOUGH
16	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		CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

No	Reference	Question	Response	Comments	Respondent
17	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		CHERYL GREENOUGH
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		CHERYL GREENOUGH
19	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		CHERYL GREENOUGH
20	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
21	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		CHERYL GREENOUGH
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written 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.	N/A		CHERYL GREENOUGH
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A	The Shire adopted the reviewed policy 20/6/18 Resolution number C3379	CHERYL GREENOUGH
24	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		CHERYL GREENOUGH
25	F&G Reg 11A	Does the local government have a current purchasing policy 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	F4.2 Purchasing & Tendering Policy. Currently being reviewed	CHERYL GREENOUGH

10 of 11

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

Signed Mayor / President, Northam

Signed CEO, Northam

5.3 PROGRESS TOWARD BETTER PRACTICE REVIEW REPORT

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

BRIEF

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

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

ATTACHMENTS

Attachment 1: BPR Action Plan.

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).

CONSIDERATIONS

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

Financial / Resource Implications

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

Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.

Policy Implications

N/A

Stakeholder Engagement / Consultation

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

Risk Implications

- Reputational – Moderate
- Council may be at risk of not generating continuous improvement, better practice, good governance and legislative compliance.
- Financial - Low
 - There are only staffing costs to this update
- Compliance - Moderate
 - Regular reviews ensure compliance
- Legal – Low
 - Complying with legislations ensures there are no legal issues

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

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

Attachment 1

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

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Information Technology (IT) and Information and Communications Technology Framework (ICT)	8. Review the current arrangements with the Shire's IT provider to ensure appropriate support is provided.	May 2016	EMCS	Audit Carried out that resulted in the calling for quotes and a new IT provider appointed November 2018. Updated 28/02/2019.
	9. Consider the adoption of an ICT Strategic Framework as a resource to use to plan for, manage and review the Shire's information and technology assets.	November 2016	EMCS	Have realigned staff to accommodate I/T Officer to coordinate, strategies are currently being developed.
Governance Relationship	10. Review the Shire's Code of Conducts and/or develop policies to formalise and document the Shire's practices in regards to elected member and staff interactions and requests for information.	January 2017	CEO	Complete. Policy adopted.
Emergency management	11. Continue the process of reviewing and documenting emergency management processes and procedures, ensuring plans are current and relevant.	November 2016	Community Emergency Services Manager	Completion of Local Emergency Management Arrangements adopted by Council 16/11/16.
Planning and Regulatory				
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 Services Planning	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 Services Planning	Complete April 2017.
Heritage	14. Continue working towards developing a heritage list and revising and amending the Municipal inventory.	February 2017	Manager Services Planning	In the process of appointing a consultant to run the statutory process for creating a Heritage List.

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Plan for the Future				
Corporate Business Plan	15. Ensure the annual review of the Corporate Business Plan results in the development of an evolving and rolling four-year plan, with the current financial year as the base year, which is linked to the annual budget.	May 2016	CEO	Completed.
	16. Review and provide clearer descriptions of the two categories of 'priority projects' in the Corporate Business Plan and ensure the financial allocation for the priority projects in the Corporate Business Plan aligns with the annual budget.	May 2016	CEO	Completed.
Asset and Finance				
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 & Building Asset Plans under development
	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 is currently in draft form, it is expected to be presented to Council for adoption April 2019, updated 28/02/2019
Long Term Financial Plan	20. Continue the process of revising the Long Term Financial Plan.	June 2016	EMCS	Completed.
	21. Once the update of the Long Term Financial Plan is complete, consider undertaking annual reviews of the plan and its projections to ensure data remains current and up-to-date, resulting in a rolling and evolving 10-year plan.	April 2017	EMCS	Plan being reviewed annually with adjustments carried out if necessary, updated 28/02/2019

Area for Further Development	Recommendation / Action	Timeframe	Responsibility	Progress Report
Statutory Ratios	22. Monitor the Operating Surplus Ratio and the Shire's expenditures to avoid any further deterioration of the continuing trend of decline of this ratio.	Ongoing	CEO	Ongoing, staff are currently focusing on these indicators and looking at developing strategies to improve performance as part of the development of the LTFFP. In 2014 the Operating Surplus Ratio was 0.12, in 2017 this increased to 0.16. The target for this ratio is greater than 0.15.
	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	Ongoing, staff are currently focusing on these indicators and looking at developing strategies to improve performance as part of the development of the LTFFP. In 2014 the Asset Sustainability Ratio was 0.68, in 2017 this increased to 1.10. The target for this ratio is greater than 1.10.
	24. Consider reviewing the Shire's depreciation calculations to ensure depreciation expenses are accurate.	July 2016	EMCS	Completed, resulted in significant movements in depreciation to better reflect Council position.
Workforce Planning and HR Management				
Workforce Plan	25. Future revisions of the Workforce Plan should align with the rest of the Shire's Plan for the Future documentation, to ensure the most current Plan for the Future vision, mission statement, themes and objectives are captured.	December 2016	HRC	Update: 31.8.18: Workforce Plan currently being developed and is well underway.

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

5.4 PROGRESS TOWARDS CUSTOMER SERVICE AUDIT

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

BRIEF

This report provides Council with an update of the progress made towards the Customer Service Audit in order to ensure that continuous improvement occurs within the organisation.

ATTACHMENTS

Attachment 1: Customer Service Audit Plan.

BACKGROUND / DETAILS

The Shire of Northam procured Aveling to conduct a Customer Service Management System Audit at the end of 2017 which included a review of the effectiveness of our ICS system and our Customer Service Charter. The report included an internal survey as well as an external customer survey.

Key findings of the review related to areas of recommended improvement for both ICS and the Customer Service Charter. Suggested improvements relating to the Customer Service Charter included document control and ensuring the document is easily accessible by customers.

For ICS' the recommended improvement areas included closing out of the documents and ensuring that the customer is kept up to date on the actions taken by staff.

CONSIDERATIONS

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.

Financial / Resource Implications

Nil.

Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.

Policy Implications

N/A.

Stakeholder Engagement / Consultation

Nil.

Risk Implications

- Reputational – Moderate
- Council may be at risk of not generating continuous improvement, better practice, good governance and legislative compliance.
- Financial - Low
 - There are only staffing costs to this update
- Compliance - Moderate
 - Regular reviews ensure compliance
- Legal – Low
 - Complying with legislations ensures there are no legal issues

OFFICER'S COMMENT

Progress is being made toward improving the Customer Service Charter to include being a controlled document.

Work has also commenced on a whistle-blower policy to allow confidentiality for anyone including staff who may have information of a sensitive nature they wish to report.

The Customer Service Charter will be made more accessible and information provided on making a complaint as well as compliment and requests within the next six months.

All staff are working toward the progression of action the in the ICS' and to advise customers of the steps taken including the close out stage.

Key to table

Completed

No Action

Underway

RECOMMENDATION

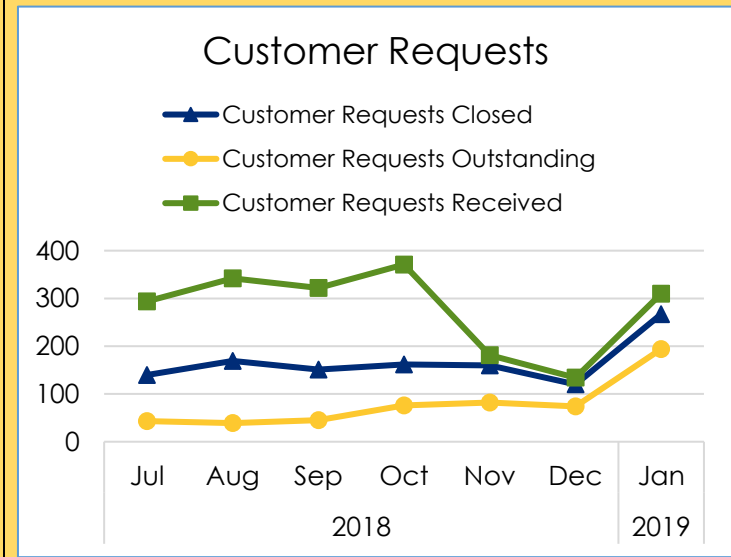
That Council receive the update as provided in Attachment 1 in relation to the progress made towards the Customer Service Audit Plan.

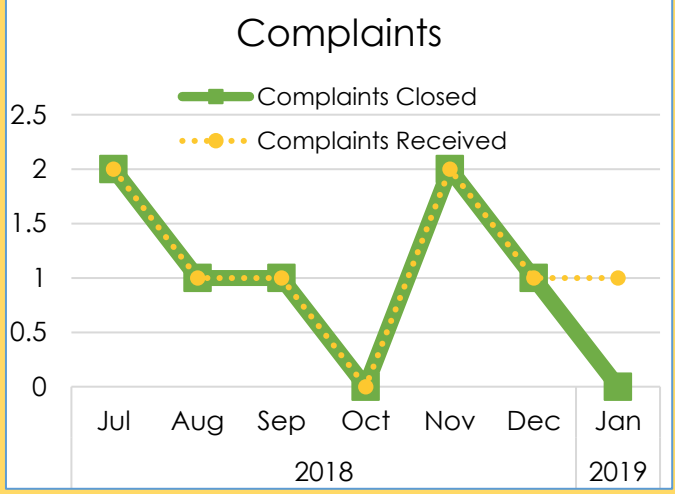
Attachment 1

Commitment		2.5	17/6	Responsible Officer	Comments
3.1	Does the organisation have a customer service Code of Conduct? (WSM)	2	Customer Service Charter supplied is an uncontrolled word document. This is written as addressing the community but there is no indication of how it is communicated to them.	GOV Officer	Completed. A TV with rolling information in the Admin area has been installed.
3.2	Have you determined the external and internal issues that are relevant to your organisation's purpose and the achievement of customer satisfaction in the organisation's strategic direction? (ISO10001 6.2)	2	Charter identifies major stakeholders and attempts to provide them with workable solutions. The main areas missing are stakeholder closeout and reporting to elected members. The elected member monthly report for October 2017 appears to be flawed closeout numbers. It shows approximately 30% of year to date requests are still not closed, but does not seem to trigger any alarm. It is also suspected that significant numbers of complaints have been closed out on the ICS system, without being actually closed. Examples of this include where a letter has been sent by Shire staff requesting action and then closed on the system, but no follow up visit to ensure that the action has been completed.	Executive Managers	Weekly reporting is occurring for complaints and ICS's received. Complaints outstanding and completed over the period are monitored to ensure that complaints are not closed without actioning. Changes have been made to the Customer Requests process so that these are only allocated to one officer to ensure ownership of the complaint/ICS. This reporting is ongoing and the total number of ICS's/complaints received will be monitored.
3.4	Has input been gained to identify and assess the needs of customers in the development of the Code and	2	There are no document control records for the process to indicate community consultation in the development.	GOV Officer	Completed. The process has been placed in Promapp

	procedures? (ISO10001 6.3)				
3.5	Is the Code clear, concise and written in simple language? (ISO10001 6.4)	3.5	The customer service charter is well written and copies have been made available in the main reception area (at times), however the majority of customer responses indicated that it has not been publicized as well as it could have been. It is recommended that a shortened version be produced and displayed in a similar manner to the City of Cockburn example shown in section 11.	GOV Officer	Completed. A rolling TV selection is being considered. Copies of the document are also available in the Admin area.
Capacity	2		8/4		
3.8	Have the objectives been established at relevant departmental and individual levels with the business?	1.5	No Key Performance Indicators (KPI's) have been set to monitor the number of requests/complaints or their close out times. This should be completed as a priority after the next round of staff training.	Executive Managers	<p>No KPI's have been established to date for employees or training provided.</p> <p>KPI's are listed within the complaints process as follows:</p> <ul style="list-style-type: none"> • Complaint Resolution - 90% of Complaints closed and determination provided within 20 working days; • Complaint Acknowledgement - 100% of Complaints acknowledged within 5 working days. <p>KPI's are listed within the ICS process as follows:</p> <ul style="list-style-type: none"> • ICS Closure - 90% of ICS's closed within 20 working days. • ICS Acknowledgement - 100% of ICS's are acknowledged within 72 hours from receiving the ICS.
3.10	Is customer service included in the business plan? (WSM) If so, what elements of customer service do	2	While there is a customer service charter and reports are compiled for elected members and as part of the quarterly report card, there was no evidence available to suggest	Gov Officer	<p>Completed</p> <p>The Corporate Business Plan outlines the following actions:</p>

	you regularly monitor? (WSM)		that customer service forms part of a formal business plan. Customer service requests and closeouts are reported monthly and quarterly, but no KPI appears to exist on this data.		<ul style="list-style-type: none"> • Manage customer services through use and maintenance of appropriate systems and processes. • Implement Shire of Northam Customer Services Charter. • Implement an organisational wide process for dealing with/responding to customer requests/complaints.
Visibility	2		7/3		
3.13	Is it relevant and responsive to customer needs? (ISO10001 4.6)	2	These issues are difficult to assess given that over 90% of customer survey respondents claimed that they had not seen it.	Gov Officer	Completed
Monitoring	2		8/4		
3.25	Are KPI results and/or other statistical measures used to review the performance of the organisation's customer service? (ISO10001 6.5 & 8.2)	2.5	An elected member monthly report and quarterly report card are produced which both include basic ICS statistics. These do not however offer any insight into long term open items or provide a performance target. As discussed previously, it was considered that a number of requests had been closed out without verification and that the statistics may not therefore show the true picture.	Executive Managers	<p>Ongoing.</p> <p>Since the audit was undertaken the reporting graph for ICS's has been amended from only showing how many are outstanding and received to also include how many ICS's have been actioned/closed out for the corresponding month.</p> <p>KPI's are listed within the complaints process as follows:</p> <ul style="list-style-type: none"> • Complaint Resolution - 90% of Complaints closed and determination provided within 20 working days; • Complaint Acknowledgement - 100% of Complaints acknowledged within 5 working days. <p>KPI's are listed within the ICS process as follows:</p> <ul style="list-style-type: none"> • ICS Closure - 90% of ICS's closed within 20 working days. • ICS Acknowledgement - 100% of ICS's are acknowledged within 72 hours from receiving the ICS.

					Community Satisfaction Survey is scheduled for 2018/19 period.																																
Procedures	2.5		32/12																																		
4.14	Are complaints closed out and recorded once agreed actions are complete? (ISO10002 7.9)	2.5	As previously noted, at least some complaints appear to be closed out prematurely and without verification of work orders being completed.	Executive Managers	<p>Ongoing. Weekly reporting is occurring for complaints and ICS's received. Complaints outstanding and completed over the period are monitored to ensure that complaints are not closed without actioning. Changes have been made to the Customer Requests process so that these are only allocated to one officer to ensure ownership of the complaint/ICS. This reporting is ongoing and the total number of ICS's/complaints received is being monitored, see below chart used to track ICS's and complaints:</p> <div data-bbox="1388 742 2116 1300" data-label="Figure">  <table border="1"> <caption>Customer Requests Data</caption> <thead> <tr> <th>Month</th> <th>Customer Requests Closed</th> <th>Customer Requests Outstanding</th> <th>Customer Requests Received</th> </tr> </thead> <tbody> <tr> <td>Jul 2018</td> <td>140</td> <td>50</td> <td>290</td> </tr> <tr> <td>Aug 2018</td> <td>170</td> <td>40</td> <td>350</td> </tr> <tr> <td>Sep 2018</td> <td>150</td> <td>50</td> <td>320</td> </tr> <tr> <td>Oct 2018</td> <td>160</td> <td>80</td> <td>380</td> </tr> <tr> <td>Nov 2018</td> <td>150</td> <td>80</td> <td>180</td> </tr> <tr> <td>Dec 2018</td> <td>120</td> <td>70</td> <td>130</td> </tr> <tr> <td>Jan 2019</td> <td>280</td> <td>200</td> <td>310</td> </tr> </tbody> </table> </div>	Month	Customer Requests Closed	Customer Requests Outstanding	Customer Requests Received	Jul 2018	140	50	290	Aug 2018	170	40	350	Sep 2018	150	50	320	Oct 2018	160	80	380	Nov 2018	150	80	180	Dec 2018	120	70	130	Jan 2019	280	200	310
Month	Customer Requests Closed	Customer Requests Outstanding	Customer Requests Received																																		
Jul 2018	140	50	290																																		
Aug 2018	170	40	350																																		
Sep 2018	150	50	320																																		
Oct 2018	160	80	380																																		
Nov 2018	150	80	180																																		
Dec 2018	120	70	130																																		
Jan 2019	280	200	310																																		

					 <table border="1"> <caption>Complaints Data</caption> <thead> <tr> <th>Month</th> <th>Complaints Closed</th> <th>Complaints Received</th> </tr> </thead> <tbody> <tr> <td>Jul 2018</td> <td>2</td> <td>2</td> </tr> <tr> <td>Aug 2018</td> <td>1</td> <td>1</td> </tr> <tr> <td>Sep 2018</td> <td>1</td> <td>1</td> </tr> <tr> <td>Oct 2018</td> <td>0</td> <td>0</td> </tr> <tr> <td>Nov 2018</td> <td>2</td> <td>2</td> </tr> <tr> <td>Dec 2018</td> <td>1</td> <td>1</td> </tr> <tr> <td>Jan 2019</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Month	Complaints Closed	Complaints Received	Jul 2018	2	2	Aug 2018	1	1	Sep 2018	1	1	Oct 2018	0	0	Nov 2018	2	2	Dec 2018	1	1	Jan 2019	0	1
Month	Complaints Closed	Complaints Received																											
Jul 2018	2	2																											
Aug 2018	1	1																											
Sep 2018	1	1																											
Oct 2018	0	0																											
Nov 2018	2	2																											
Dec 2018	1	1																											
Jan 2019	0	1																											
4.19	<p>Is complaints information, including the identity of complainants, treated confidentially wherever possible or necessary? (ISO 10002 4.7)</p> <p>Are procedures in place to manage whistle-blower complaints in accordance with the Public Interest Disclosure Act?</p>	2	<p>There was no information available to suggest that confidentiality has been considered in terms of complaints and this should be included in future updates of the process.</p> <p>No information on whistleblower complaints is included in the Shire complaints process.</p>	Executive Managers	<p>Confidentiality is always maintained in relation to customer complaints and requests. The complaints process includes details in relation to the actions to take to maintain confidentiality if the complaint is of a confidential nature and details that all elements of the complaint are to be treated with confidentiality (including the identity of the complainant).</p> <p>Whistleblower policy has been drafted and is currently being reviewed by Executive Management. Once this has occurred the policy will be workshopped with Council and then presented for endorsement.</p>																								

4.23	Are details of reviews and actions taken to improve services published to staff and the public? (ISO10002 8.6.3)	2	The quarterly report card is circulated widely and includes ICS statistics for customer service requests (including complaints), but does not look at individual cases or outcomes. Further it does not differentiate between complaints and work requests.	Executive Managers	Process mapping system is available to all staff to ensure they are following the process for managing ICS's and complaints. Weekly reporting is now occurring to monitor the requests and complaints received. Suggested changes are to be implemented into quarterly reporting (i.e. differentiate between complaints and requests)
4.26	Does the complaints manager or coordinator compile reports for senior management based on the analysis of the data, which include recommendations for: <ul style="list-style-type: none"> • complaint reduction strategies, or • improvements to business processes 	2.5	Reports are compiled monthly (for elected members) and quarterly (for the report card), however these are both basis numerical reports and do not provide any level of detail that would support continuous improvement in this area.	Executive Manager Corporate Services	Executive Assistant – CEO is now generating weekly reports for ICS's and complaints. Process improvements for managing complaints and ICS's are managed through Council's process mapping system which allows all staff to suggest improvements in relation to the process for managing ICS's and complaints.

5.5 PROGRESS TOWARD PROCUREMENT PROCESS REVIEW REPORT

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

BRIEF

To provide Council with an update of 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.

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 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.

CONSIDERATIONS

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.

Financial / Resource Implications

No current implications as this is an update.

Legislative Compliance

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

Policy Implications

N/A.

Stakeholder Engagement / Consultation

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

Risk Implications

- Reputational – Moderate
 - Reviewing practices ensures compliance and maintains the Shire's good reputation.
- Financial - Low
 - There is no cost to this update
- Compliance - Moderate
 - Regular reviews ensure compliance
- Legal – Low
 - Complying with legislations ensures there are no legal issues

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.

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

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

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"> • up to 10% reduction for goods or services up to a maximum of \$50,000; • up to 5% reduction for construction (building) services up to maximum of \$50,000; or • up to 10% where the contract is for construction (building) services up to a maximum price reduction of \$500,000. <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</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"> • precludes consideration of other suitable service providers which are new market entrants; • rates quoted by known suppliers are often not market tested; and • 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. 	<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"> • Andy's Plumbing [43 POs; spend @ \$14,000] • Blackwell Plumbing [17 POs; spend @ \$15,500] <p><u>Electrical Services</u></p> <ul style="list-style-type: none"> • Grafton Electrics [46 POs; \$22,000] • Verlindens Electrical [4 POs; \$11,600] 	<p>It is recommended that goods and services which are:</p> <ul style="list-style-type: none"> • recurring, • purchased frequently throughout the year; and • deemed to be low or medium procurement risk, be considered for establishment as a pre-qualified panel under Division 3 of Regulations. <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</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"> • Glenn Stuart Beveridge @ 9 months is \$91,000; this supplier could reach the \$150,000 threshold if not monitored. • 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. • Avon Valley Contractors; POs for \$8,800 for 3 months has been sole source supplier for hire of graders. 	<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>

5.6 PROGRESS TOWARDS THE SAFETY & RISK MANAGEMENT PLAN

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

BRIEF

To provide Council with an update of the progress made towards the 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.

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.

CONSIDERATIONS

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.

Financial / Resource Implications

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

Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.

Occupation Safety & Health Act 1984 and relevant subsidiary legislation.

Policy Implications

N/A

Stakeholder Engagement / Consultation

Nil

Risk Implications

- Reputational – Moderate
- Council may be at risk of not generating continuous improvement, better practice, good governance and legislative compliance.
- Financial - Low
 - There are only staffing costs to this update
- Compliance - Moderate
 - Council would be at risk of not meet its responsibilities in respect to legislative compliance and providing a safe working environment for its employees and contractors.
- Legal – Low
 - Complying with legislations ensures there are no legal issues

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.

Key to table

Completed

No Action

Underway

RECOMMENDATION

That Council receive the update as provided in the Attachment 1 in relation to the progress made towards the following Safety & Risk Management Plan.

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>Planning Identification of Hazards, Hazard/Risk Assessment and Control of Hazards/Risks</p> <p><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>Legal and Other Requirements</p> <p><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>Objectives and Targets</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>OHS Management Plans</p> <p><i>The organisation shall establish and maintain management plans for achieving objectives and targets. They shall include:</i></p> <p><i>a) Designation of responsibility for achievement of objectives and targets at relevant functions and levels of the organisation;</i></p> <p><i>b) 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>Responsibility and Accountability</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	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>	<p>performance evaluations and/or Position Descriptions need to be communicated to relevant personnel.</p>		
7	4.4	4.4.2	3	<p>Training and Competency</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>	<p>Training requirements should be clearly stated in Position Descriptions.</p>	<p>EXECUTIVE TEAM & HR</p>	<p>Exercise ongoing, updating Position descriptions based on information received at appraisal</p>
8	4.4	4.4.2	2	<p>Training and Competency Continued</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.</i></p> <p><i>Training shall</i></p>	<p>Develop a procedure that outlines the specific training requirements for OHS including Contractors.</p>	<p>HR</p>	<p>Training Plan created through CRTAFE.</p>

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<i>be carried out by persons with appropriate knowledge, skills and experience in OHS and training.</i>			
9	4.4.3	4.4.3.2	3	<p>Communication</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>Reporting</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>Document and Data Control</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</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><i>operations essential to the effective functioning of the OHSMS are performed;</i></p> <p><i>d) Obsolete documents are promptly removed from all points of issue or otherwise assured against unintended use; and</i></p> <p><i>e) 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>General</p> <p><i>The organisation shall establish, implement and maintain documented procedures to ensure that the following are conducted:</i></p> <p><i>hazard identification;</i></p> <p><i>hazard/risk assessment;</i></p> <p><i>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 & Hire/Lease procedure/Agreement that details hazard identification, risk assessment and risk control of new products</p>	<p>HR</p> <p>EXECUTIVE MANGER CORPORATE SERVICES</p>	<p>Ongoing evaluation at OSH Committee meetings</p> <p>Statement of Purchasing Ethics Completed</p>

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
					Implement a Supplier/Contractor selection criteria and listing based on safety practices	EXECUTIVE MANGER CORPORATE SERVICE	Limited progress
13	4.4.6	4.4.6.2	2	<p>Hazard Identification</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	Hazard/Risk Assessment	Develop a Job Safety Analysis template that is	HR	30.11.16 COMPLETED

Action Item	Element Number	Sub-element Number	Score	Requirements Extracted From Criteria	Actions to be Taken	Responsibility	Due Date
				<i>All risks shall be assessed and have control priorities assigned, based on the established level of risk.</i>	consistent throughout the Shire departments 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	Evaluation <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	General continued <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.</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	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><i>With regards to the OHSMS, the organisation shall establish, implement and maintain procedures to monitor:</i></p> <p>a) <i>performance, effectiveness of operational controls and conformance with the organisation's objectives and targets; and</i></p> <p>b) <i>compliance with relevant OHS legislation.</i></p>	<p>procedure should be developed.</p>		
17	4.5	4.5.3	2	<p>Records and Records Management</p> <p><i>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.</i></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>OHSMS Audit</p> <p><i>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:</i></p> <p>a) <i>determine whether the OHSMS:</i></p> <p>i) <i>conforms to planned arrangements for OHS management including the requirements of AS/NZS 4801;</i></p> <p>ii) <i>has been properly implemented and maintained;</i></p> <p>iii) <i>is effective in meeting the organisation's policy as well as objectives and targets for continual improvement; and</i></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
				<p><i>iii) provide information on the results of audits to management and employees.</i></p> <p><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></p>			
19	4.6	4.6	2	<p>Management Review</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	<p>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</p>

5.7 PROGRESS TOWARDS THE REGULATION 17 REVIEW ACTION PLAN

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

BRIEF

To provide Council with an update of the progress made towards the Regulation 17 Review Action Plan.

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

BACKGROUND / DETAILS

The Shire of Northam procured AMD Chartered Accountants to undertake the Shire of Northam's Regulation 17 Review in accordance with Local Government (Audit) Regulations 1996, Regulation 17 for the period ending 31 December 2016. This Regulation 17 Review includes a review of the appropriateness and effectiveness of the risk management, internal controls and legislative compliance of the Shire of Northam. 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.

CONSIDERATIONS

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.

Financial / Resource Implications

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

Legislative Compliance

Local Government Act 1995 and relevant subsidiary legislation.

Policy Implications

N/A

Stakeholder Engagement / Consultation

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

Risk Implications

- Reputational – Moderate
- Council may be at risk of not generating continuous improvement, better practice, good governance and legislative compliance.
- Financial - Low
 - There are only staffing costs to this update
- Compliance - Moderate
 - Regular reviews ensure compliance
- Legal – Low
 - Complying with legislations ensures there are no legal issues

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 2 with comments in respect to the progress made towards each of these.

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

Key to table

Completed

No Action

Underway

RECOMMENDATION

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

Attachment 1

**APPENDIX A
 SHIRE OF NORTHAM
 RISK MANAGEMENT**

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	<p>Shire of Northam have not developed an organisational-wide risk register which identifies risks, assesses the impact of the risk and identifies controls to mitigate risk.</p> <p>We would expect the organisational risk register to encompass each business unit incorporating the following categories for each business unit:</p> <ul style="list-style-type: none"> • Operational; • Strategic; • Finance; • Technological; and • Compliance risks (also refer Appendix C) <p>While we acknowledge Shire of Northam has developed a Risk Management Framework, Risk Dashboard and many individual policies and operational procedures,</p>	Medium	Lack of documentation in place to evidence risks have been identified.	<p>We recommend the Shire of Northam develop an organisational risk register. This should include conducting a comprehensive risk identification process to identify potential Shire of Northam risks within each business unit and incorporating the following categories:</p> <ul style="list-style-type: none"> (a) Operational; (b) Strategic; (c) Finance; (d) Technological; and (e) Compliance risks. <p>The risk register should identify the risk, analyse the risk by determining the likelihood, consequence and current controls in respect to each identified risk; evaluate the risk by deciding whether the risk is to be treated/controlled,</p>	<p>A current register exists even though it is not as extensive as that suggested, the risk register will be updated in the future as recommended.</p> <p>Agree, the three identified policies will be developed.</p>	Chief Executive Officer	A risk register has been developed, not to the extent as identified.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
	<p>the risk identification process is the first step to effective risk management.</p> <p>In addition, we noted Shire of Northam's Risk policies and procedures do not include:</p> <p>(a) Litigation/Claims Policy; (b) Fraud Control Policy; and (c) Whistleblower/Public Interest Disclosure (PID) Policy (allowing anonymous reporting and to be available on the Shire's website to ensure external parties can report).</p>			<p>reassessed or accepted and determine the action to be taken to treat or control each risk.</p> <p>The risk register should also be monitored and reviewed on a regular basis to ensure up to date and integrates with existing Shire of Northam Risk Management Framework policies and procedures.</p>			
2	<p>We noted at the time of our on-site visit the following plans are currently under review and require finalisation:</p> <p>(a) Landfill Site Waste Management Plan; (b) Local Emergency Response Plan; (c) Bushfire Management Plan; (d) Asset Management Plan; and (e) Long Term Financial Management Plan.</p>	Medium	<p>Risk of significant delays and business interruption in the event of unforeseen circumstances in respect to Northam Community and District operations.</p> <p>Risk of the plan being out of date and non-compliance with the plan.</p>	<p>Once the plans have been completed, we recommend they are endorsed and communicated to all staff, implemented and monitored on a regular basis including testing the plans to ensure that in the event of a disaster, appropriate actions can be taken.</p>	<p>Noted, all plans are expected to be finalized and adopted early 2017, current plans in place reduce the risk until the reviews are completed.</p>	<p>Various</p> <p>CESM</p>	<p>A – Inkpen Road Waste Management Facility Plan was adopted by Council on 25.01.2017. The Old Quarry Road Waste Management was endorsed by Council on 17/05/2017.</p> <p>B – Completion of Local Emergency Management Arrangements adopted by Council 16/11/16.</p> <p>C – Bush Fire Manual was endorsed by Council on 19/09/2018</p>

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
							D – Completed for road related assets, finalising parks & buildings currently E – Completed
3	We noted that the following from the sample of lease agreements tested: (a) Lease agreement for Northam Aero Club Management is not signed and the details on the lease register are out of the date; (b) Lease register not updated to reflect the lease agreement terms for Northam Airport – Hanger 13; and (c) The commencement date in the lease register for Blackberry Close Bakers Hill differs to that reflected in the lease agreement.	Medium	Risk the Shire is exposed to risks due to lessee non-compliance with lease terms.	We recommend a sample lessee compliance check be completed to ensure lessees are complying with stated lease terms, including obtaining documentation to support adequate insurance is maintained by the lessee. This could be completed on a rolling basis over several years to ensure all lessees are contacted at least once within the lease term.	(a) As discussed with the Auditor, the lease agreement for Northam Aero Club is not yet signed because it is with them (Aero Club) for their approval and signing. (b) Register for Hangar 13 has been updated. (c) The reason is that the original lease commenced in 2004 and went for 5 years, a new lease was initiated 1/7/2009 for two years with 4x2year options to renew. The lease register is currently being updated so this will be rectified. The Governance officer is the designated officer with the responsibility for ensuring compliance and random checks are done several times a year to ensure compliance.	Governance Officer	Completed

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
4	<p>While the “Declaration of Interest” step was added to the Purchasing Process in Promapp post the Projects and Contracts Administration Officer and Procurement Officer attending the WALGA procurement training in August 2016, there is no centrally maintained register that records any disclosed Councillor and staff conflicts of interests.</p> <p>We acknowledge the Shire of Northam records those interests disclosed at the Council and Committee meetings in the Register of Financial Interest. However this register does not currently record any conflicts (whether perceived or actual) disclosed outside these meetings.</p>	Medium	<p>Risk that a Councillor/staff have a perceived/actual conflict of interest which is not recorded and managed appropriately by the Council.</p>	<p>We recommend that the Shire of Northam design and implement a conflict of interest register. This register should be monitored to ensure that all conflicts (whether perceived/actual) are disclosed. All conflicts of interest should be managed accordingly by the Shire.</p>	<p>Noted, management will investigate the establishment of a central register</p>	CEO	<p>Executive Assistant – CEO (EA – CEO) has posted an improvement idea/request onto the ‘Manage Purchasing’ process for an additional task outlining that a disclosure of interest form is to be completed (if applicable) and forwarded the EA – CEO. This will then be added to the existing Register for Interest Disclosures. This improvement idea/request is currently pending approval of the process owner (Executive Manager Corporate Services). The EA – CEO has also amended the register to add an additional field for the person/party/location which the disclosure relates to allow for a quick search to be undertaken when reviewing whether interests should be declared.</p>

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
5	Our inquiries of the Human Resources Officer identified that the Shire of Northam does not maintain a central Contractor/Sub-contractor Insurance Register and that the responsibility for checking insurances currently rests with the Responsible Officer who has arranged the Contract.	Medium	Risk that the Contractors/Sub-contractors insurances expire whilst providing the service to the Shire and that this is not identified in a timely manner.	We recommend that the Shire designs and implements a central Contractor/Sub-contractor Insurance Register which is maintained by one or two individual to ensure that all insurances are up to date.	Noted and will implement.	Human Resource Officer	Central contractor/sub contractor insurance register created and will be maintained by Engineering Services.
6	Our inquiries indicated Shire of Northam has no documented policy or procedure in respect to personally owned IT devices including laptops, smartphones, tablets, thumb drives etc.	Medium	Risk that existing procedures and practices in respect to personally owned devices are not formally documented.	In accordance with the Department of Local Government IT Framework (best practice guidelines), we recommend policies and procedures outlining the terms and conditions in respect to the use of personally owned devices and access be documented, approved, implemented and monitored on an ongoing basis.	Noted, a policy will be developed and implemented.	Exec Manager Corporate Services	Limited, policy to be developed as part of overall IT Strategy.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
7	While our inquiries indicate that the Shire of Northam's prior period Audit Regulation 17 Risk Report (being the risk dashboard) was presented to the Audit Committee, an updated risk report is not provided to the Audit Committee / Council on a regular basis.	Low	Lack of communication with those charged with governance.	Once the development of the organisation risk register (as noted at number 1 above) is completed, we recommend this register and / or risk dashboard is tabled at Audit Committee and subsequent Council meetings on a periodic basis.	Notes, currently in the process of reviewing the functions for the Audit committee.	CEO	Completed, per this report to the Audit Committee.
8	We note Shire of Northam does not currently hold Cybercrime insurance.	Low	Risk of being uninsured against cybercrime.	We recommend Council investigate obtaining cybercrime insurance.	Insurance coverage is reviewed annually in consultation with the council Insurance Company (LGIS), in the past this has not been identified as a 'high' risk area, will investigate as part of the annual insurance review.	Exec Manager Corporate Services	Complete – The Shire now has cover for Cybercrime.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
9	We noted the Shire of Northam Insurance Register does not currently record the date insurance claims are submitted to the Shire of Northam, to ensure insurance claims are subsequently lodged and followed up in a timely manner after an incident.	Low	Untimely recovery of costs associated with insurance events.	We recommend insurance claims be lodged on a timely basis after incidents occur (we suggest no longer than one month) and the date the claim is submitted to the Shire be recorded in the insurance claims register.	Noted.	Governance Officer	Completed August 2018
10	Our review identified that the: (a) Community Engagement Plan was last endorsed on 12 October 2011; and (b) Management of Council Property Leases was last reviewed on 16 October 2013.	Low	Risk that outdated documents are being referenced by Council staff.	We recommend all Council plans, policies and procedures are reviewed and updated regularly. We also recommend that reviews of policies and procedures include ensuring all references to legislation / guidelines are current and if legislation / guidelines have changed, the policy is updated to reflect those changes.	Plans and policies are monitored and reviewed (as required) internally on a regular basis.	Various CEO Governance	a) Not yet reviewed. No change since previous update. b) Completed Endorsed by Council in August 2018.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
11	Our inquiries of the Executive Manager, Corporate Services indicated that there is currently no Council signature specimen list in place.	Low	Risk that someone without the appropriate delegated authority signs a document approving a Contract, transaction etc. which could be enforceable by another party.	We recommend that the Shire of Northam develops a signature specimen list for all those with delegated authority.	A signature register is currently being developed.	Exec Manager Corporate Services	Completed.
12	Our inquiries of the Projects and Contracts Administration Officer identified that Council has not developed any probity plan(s) or Statement of Purchasing Ethics requiring acknowledgement by third parties.	Low	Risk of the third party not acting in accordance with the Shire's policies and procedures.	We recommend that the Shire develops and implements a Statement of Purchasing Ethics which sets out the way the third party conducts business with the Shire. Terms and conditions included within supplier contracts would require suppliers to comply with Council's Statement of Purchasing Ethics.	Will investigate the implementation.	Exec Manager Corporate Services	Completed March 2018

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
13	We noted that there is currently no process documented in Promapp which covers the following: <ul style="list-style-type: none"> • Receiving of goods/services; • Matching of purchase order to invoice; • Invoice verification; and • Invoice authorisation ready for payment. 	Low	Lack of a formalised documented processes.	We recommend that the Shire designs and implements in Promapp an all-encompassing purchasing process which includes the following (in addition to the current Purchasing Process documented in Promapp): <ul style="list-style-type: none"> • Receiving of goods/services; • Matching of purchase order to invoice; • Invoice verification and authorisation 	Staff are currently in the process of developing a procedure with the Promapp system for creditor payments this will cover the identified areas.	Exec Manager Corporate Services	Completed November 17

**APPENDIX B
SHIRE OF NORTHAM
INTERNAL CONTROLS**

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	Our inquiries of the Executive Manager, Corporate Services identified that the Shire of Northam does not currently have a formal documented IT Disaster Recovery Plan in place. We acknowledge that IT Disaster Recovery is briefly commented on in the Business Continuity Plan and that by coincidence the Shire put to test the recovery of the Shire's back-up due to an incident that occurred on 22 September 2016.	Medium	Risk of significant delays and business interruption in the event of unforeseen circumstances in respect to Council organisational business.	We recommend the IT Disaster Recovery Plan be developed and implemented by the Shire of Northam. Once the plan has been completed, we recommend it is endorsed and communicated to all staff, implemented and monitored on a regular basis including testing the plan to ensure that in the event of a disaster, appropriate actions can be taken.	Staff are currently looking to develop an IT disaster recovery plan.	Exec Manager Corporate Services	Processes have been put in place they are, onsite and offsite backups, active monitoring for potential cyber attacks etc, new ups for protection against power surges. Documentation of the steps is still pending, expected to be carried out 2 nd or 3 rd Qtr 2019. Updated 28/02/2019
2	We noted there is a Contractor Induction process in place. However, testing identified no evidence that the contractor had attended/completed the Contractor Induction process.	Medium	Risk of non-compliance with stated policies, procedures including relevant health and safety requirements.	We recommend contractors be required to complete some level of induction (the level of induction completed should be determined based on the risks associated with the service or product provided) and the induction process be formally documented as evidence of attendance.	A current register exists even though it is not as extensive as that suggested, the risk register will be updated in the future as recommended.	CEO HR Coordinator	Induction process, documentation and checklist in Promapp for the attention and action of all departments.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
3	Our inquiries of the Executive Manager, Corporate Services indicated that the Shire of Northam does not currently have an ICT Framework in place.	Medium	Risk that existing procedures and practices in respect to information and communication technology are not formally documented.	<p>We recommend the ICT Framework be developed to ensure procedures and practices in respect to information and communication technology is documented and presented to Council for review and adoption. The framework should be monitored on a pre-determined basis to ensure compliance with stated policies and procedures.</p> <p>As part of the development of the ICT framework, we suggest consideration be given to:</p> <ul style="list-style-type: none"> •A formal cost v benefit analysis or feasibility study be completed prior to major ITC projects, including post implementation reviews; •KPI's are set for the IT process and regular monitoring against KPI be performed, including user satisfaction reviews; •Confidentiality clause be included in key service level agreements with external supplies; and •Review of external service level agreements be completed against targets included within those agreements. 	Currently investigating available options.	Exec Manager Corporate Services	An internal audit has been carried out, framework is now being developed, progress to date, IT provider changed, service levels put in place, new service agreement in place, updated 28/02/2019

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
4	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.	Medium	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.	Exec Manager Engineering Services	Contract expired on 30 June 2017. Extension granted until RFQ has been prepared and advertised. For the monitoring and servicing we have some monitoring agreements for individual buildings as they were upgraded to 4g monitoring however we don't have an overall contract for monitoring and servicing. Staff are further investigating.
5	Our inquiries of the Executive Manager, Corporate Services indicated there is no ongoing security awareness program in respect to IT.	Low	Risk of security breaches due to changing security environment.	We recommend an ongoing security awareness program be developed to ensure security needs of the Shire is updated as required (for example due to IT infrastructure or application changes) and to prevent any security breaches from occurring. This could be incorporated as part of Shire of Northam's overall Risk Management Framework.	Staff to investigate. While there is no formal program the Council IT Officer regularly sends notifications in regards to 'cyber alerts' and other potential IT related issues.	Exec Manager Corporate Services	Alerts being sent as they come to light
6	Our inquiries of the Executive Manager, Corporate Services identified that the Shire of Northam computers do not	Low	Risk of someone else using the computer to access information that	We recommend that the Shire of Northam implements a policy where all Shire owned computers are automatically	Staff to investigate and implement.	Exec Manager Corporate Services	Completed June 2017

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
	currently automatically log out when left dormant for a period of time. <i>We acknowledge that the licensing computers at the front counter does automatically log out when left dormant.</i>		they do not currently have authority to view and/or amend details in order to receive some benefit etc.	logged out after five minutes of being dormant (or as considered appropriate time limit).			
7	Our inquiries of the Governance Officer identified that there is currently no cash handling policies and procedures in place.	Low	Risk that cash is not being handled appropriately by staff.	We recommend that cash handling policies and procedures are developed and implemented. Once developed, these policies and procedures should be reviewed and approved by Council and then communicated to all staff that handles the Shire's cash.	Staff are verbally informed of the procedures, these however are not written, and staff will look at developing a written procedure.	Exec Manager Corporate Services	Complete - There is a 'Guide to Reception Duties' document at Reception which is maintained and used for training.
8	We note that there is currently no independent review of the general journal adjustments posted to Synergy Soft.	Low	Risk that errors will not be identified in a timely manner.	We recommend that all general journal adjustment journals are independently reviewed and physically signed off by the reviewed as evidence of this review.	The measure will be implemented.	Exec Manager Corporate Services	Implemented.
9	We note that that credit card statements were not signed off to evidence review as required by policy HR 2.7 Credit Card Use.	Low	Risk that fraud or errors will not be identified in a timely manner.	We recommend that all credit card statements are signed off by the reviewer as evidence of this review, as per stated policy.	Credit Cards are independently reviewed by Finance Officer, Accountant, Exec Manager of Corporate Services and finally the Credit Card Holder. It is noted however that the reviewing persons do not sign	Exec Manager Corporate Services	Completed

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
					to indicate the review has been completed. This has been corrected. It is also noted that that all credit card payments are itemised and presented to Council monthly for review.		
10	We note that the Vehicle Management Policy was currently under review at the time of our on-site visit.	Low	Risk of inappropriate usage of the Shire's fuel cards.	We recommend that the Vehicle Management Policy is finalised and approved by Council. This policy should detail limits and permissible usage. Once endorsed, the policy should be communicated to all staff, implemented and monitored on a regular basis including testing fuel card usage is in accordance with the policy.	Policy expected to be adopted early 2017.	Exec Manager Engineering Services	No progress since last update. In process of finalising.
11	Our testing identified instances where the purchase order was raised post receiving the invoice. This finding was raised previously when the Financial Management System Review was performed (report issued in June 2016) and we acknowledge that there have been no unexplainable instances of this occurring	Low	Risk of non-compliance with policies and procedures. Risk of fraud or error not being identified in a timely manner.	We recommend purchase orders are raised and approved prior to the goods/services being incurred by the Shire.	Noted.	Various	Process in place and random audits undertaken by purchasing staff

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
	post the issuance of the report.						
12	While best practice methods are used in respect to procurement practices, our testing identified one instance where a Purchasing Procedures Checklist was not attached to the payment documentation for All-ways Foods (invoice number 20368).	Low	Risk of non-compliance with policies and procedures.	We recommend that the Purchasing Procedures Checklist is completed, signed off and attached to all payment documentation in accordance with stated policy.	Noted.	Various	Implemented and audited by purchasing staff
13	While best practice methods are used in respect to tendering processes, our testing identified that Tender Checklist form was not signed off by the senior checking officer for tender 1 of 2016.	Low	Risk of non-compliance with policies and procedures.	We recommend that the Tender Checklist is reviewed and signed off by the senior checking officer once the tender process has been completed, in accordance with stated policy.	All staff involved have been reminded of the importance of following procedures.	Exec Managers	Completed. A process is currently being developed for 'Managing Tenders'. This will include tasks outlining the requirements for updating and signing off tenders.

**APPENDIX C
SHIRE OF NORTHAM
LEGISLATIVE COMPLIANCE**

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
1	<p>Our inquiries indicated Shire of Northam does not have a documented legislative compliance manual which is linked to each business unit risk management assessment.</p> <p>While we understand the Chief Executive Officer and Executive Managers Annual Delivery Plan sets out key compliance milestones, however there does not appear to be an overall compliance manual which identifies the legislation (as the first step) and follows the process from this initial point, to risk management.</p>	Medium	Risk of non-compliance with all legislative requirements.	<p>We recommend a compliance manual linked to each business unit risk management assessment be completed and implemented.</p> <p>We would expect the manual to be divided into each business unit section (as identified within the organisation structure) and to:</p> <ul style="list-style-type: none"> • Identify relevant legislation to that business unit (for example the Health Act 1911 or the Planning and Development Act 2005 or the Dog Act 1976); • Identify key relevant sections within each legislation and note within the compliance manual; • Who is responsible for ensuring controls in place to ensure compliance with each identified legislation section; • The mechanism in place to ensure compliance, for example a policy or procedure (this component 	Noted.	CEO	Compliance calendar/checklist has been developed.

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
				<p>of the compliance manual would link each relevant section of legislation to a policy, procedure, person or other control).</p> <ul style="list-style-type: none"> • Regular testing of compliance, for example if the mechanism for compliance is a policy, regular review and spot checking (internal audit) of that policy; any • Key milestone / reporting dates applicable to that legislative section and how compliance is met. <p>Once the compliance manual is implemented, we recommend a standing agenda item be added to the Audit Committee meeting agenda to assess the effectiveness of compliance through the review and assessment of the compliance manual.</p>			
2	We noted two Audit and Risk Management Committee meetings were held during the year.	Medium	Risk of governance and oversight responsibilities not being met.	Local Government Operational Guideline Number 09 – Audit in Local Government outlines it is best practice for the Audit Committee to meet on at least a quarterly basis.	Noted and agreed that the committee should be meeting on more regular basis.	CEO	Completed
3	Our inquiries of the Chief Executive Officer identified	Medium	Risk that internal controls are not being adhered to.	We recommend that Council consider conducting relevant internal audits in the years	Currently developing a framework for internal audits.	CEO	Completed July 2018

No.	Finding	Finding Rating	Implication	Recommendation	Management Comment	Responsible Officer	Progress to Date
	the current Internal Audit Framework incorporates the: (a) Financial Management System Review (conducted every four years, last conducted for the period 1 July 2015 to 30 April 2016); (b) Regulation 17 Review (conducted every two years, the current review for the period 1 July 2015 to 30 October 2016); and (c) DLGC Better Practice Review (conducted every four years, last conducted the end of 2015).			between Financial Management System reviews and Regulation 17 reviews.			
4	We note that the Audit Committee meeting minutes have not been signed by the Presiding Officer for the meeting held on 19 November 2014, 16 March 2015, 25 November 2015 and 8 March 2016.	Medium	Risk of non-compliance with clause 5.22(3) of the Local Government Act 1995.	We recommend that the Presiding Officer signs off the Audit Committee meeting minutes certifying confirmation.	Will ensure this is adhered to in the future.	CEO	Completed

6. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION

Nil.

7. DATE OF NEXT MEETING

The next Audit Committee meeting is proposed to be held in June 2019, date to be confirmed.

8. DECLARATION OF CLOSURE