



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# AGENDA

## Audit & Risk Committee Meeting

To be held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
Wednesday 31 July 2024  
Commencing 2.00pm

ABN: 35 939 977 194

P (08) 9631 1202 E [dowshire@dowerin.wa.gov.au](mailto:dowshire@dowerin.wa.gov.au)  
13 Cottrell Street, Dowerin WA 6461

 [www.dowerin.wa.gov.au](http://www.dowerin.wa.gov.au)





## NOTICE OF MEETING

Dear Audit & Risk Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Dowerin will be held on Wednesday 31 July 2024 in the Shire of Dowerin Council Chambers, 13 Cottrell Street, Dowerin commencing at 2:00pm.

Aaron Wooldridge  
Acting Chief Executive Officer  
26 July 2024

### DISCLAIMER

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Dowerin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

It should be noted that the Attachment hyperlinks may not be functional from this document when sourced from the Shire of Dowerin's website. Attachment copies follow on at the end of the Agenda and Minutes.

# Table of Contents



<b>1.</b>	<b>Official Opening</b>
<b>2.</b>	<b>Record of Attendance / Apologies / Leave of Absence</b>
<b>3.</b>	<b>Public Question Time</b>
<b>4.</b>	<b>Disclosure of Interest</b>
<b>5.</b>	<b>Confirmation of Minutes of the Previous Meetings</b>
5.1	<a href="#">Minutes of the Audit &amp; Risk Committee Meeting held on 12 March 2024</a>
<b>6.</b>	<b>Presentations</b>
<b>7.</b>	<b>Officer's Reports</b>
7.1	<a href="#">Risk Dashboard Quarterly Report - June 2024</a>
7.2	<a href="#">Interim Audit Results for the Year Ending 30 June 2024</a>
<b>8.</b>	<b>Questions from Members</b>
<b>9.</b>	<b>Urgent Business Approved by the Person Presiding or by Decision</b>
<b>10.</b>	<b>Date of Next Meeting</b>
<b>11.</b>	<b>Closure</b>

Shire of Dowerin  
Audit & Risk Committee Meeting  
2.00pm Wednesday 31 July 2024



1. Official Opening

2. Record of Attendance / Apologies / Leave of Absence

**Committee Members:**

Cr RI Trepp	President & Chair
Cr NP McMorrان	Deputy President
Cr DP Hudson	
Cr BA Ward	
Ms TA Jones	

**Staff:**

Mr A Wooldridge	Acting Chief Executive Officer
Mr B Jones	Acting Deputy Chief Executive Officer
Ms K Rose	Executive & Governance Officer

**Apologies:** Nil

3. Public Question Time

4. Disclosure of Interest

Committee Members are to complete a Disclosure of Interest Form for each item they are required to disclose an interest in. The Form should be given to the Presiding Member before the meeting commences. After the meeting, the Form is to be provided to the Executive & Governance Coordinator for inclusion in the Disclosures Register.

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 12 March 2024.

**Attachment 5.1A**

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation - 5.1**

**That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 12 March 2024, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.**

6. Presentations

Nil

## 7. OFFICER'S REPORTS

### 7.1 Risk Dashboard Quarterly Report – June 2024

# Governance & Compliance



<b>Date:</b>	22 July 2024
<b>Location:</b>	Not Applicable
<b>Responsible Officer:</b>	Aaron Wooldridge, Acting Chief Executive Officer
<b>Author:</b>	Aaron Wooldridge, Acting Chief Executive Officer
<b>Legislation:</b>	<i>Local Government Act 1995</i>
<b>SharePoint Reference:</b>	Compliance/Risk Management/Reporting
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	<b><u>Attachment 7.1A- Risk Dashboard Quarterly Report – June 2024</u></b>

#### Purpose of Report

Executive Decision

Legislative Requirement

#### Summary

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

#### Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play, and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the quarterly reporting process, Management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

### Comment

The Risk Dashboard for the June 2024 quarter shows a proactive approach to managing various risks, with most areas having moderate risk levels and adequate controls in place. The outlined actions and responsibilities indicate clear accountability and timelines for addressing these risks.

The committee is encouraged to review attachment with detailed entries in the Risk Dashboard and provide any additional recommendations or support needed to enhance our risk management practices.

### Consultation

Aaron Wooldridge, Acting Chief Executive Officer

### Policy Implications

Council Policy 2.2 - Risk Management Policy is applicable.

### Strategic Implications

#### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

#### Asset Management Plan

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

#### Long Term Financial Plan

Identified key controls and actions associated with financial management are factored into the Long-Term Financial Plan.

### Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

**Financial Implications**

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

**Voting Requirements**


Simple Majority  Absolute Majority

**Officer's Recommendation - 7.1**

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. **Receives the Risk Dashboard Quarterly Report - June 2024, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin; and**
2. **Recommends to Council that it adopts the Risk Dashboard Quarterly Report - June 2024.**

**7.2 Interim Audit Results for the Year Ending 30 June 2024**

<h1>Corporate &amp; Community Services</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	22 July 2024	
<b>Location:</b>	Not applicable	
<b>Responsible Officer:</b>	Aaron Wooldridge, Acting Chief Executive Officer	
<b>Author:</b>	Kahli Rose, Governance Coordinator	
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
<b>SharePoint Reference:</b>	Organisation/Corporate Management/Reporting	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<a href="#"><b>Attachment 7.2A – Interim Audit Management Letter</b></a> <a href="#"><b>Attachment 7.2B – Interim Audit Findings Report</b></a>	

**Purpose of Report**

- Executive Decision
  Legislative Requirement

**Summary**

This Item presents the results and findings of the Interim Audit for the year ending 30 June 2024 to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

**Background**

The Office of the Auditor General (OAG) conducted its Interim Audit for the Shire of Dowerin on Thursday 4 and Friday 5 April 2024.

The Report on the results of the Audit has been received and is included as an Attachment for the Audit & Risk Committee’s information.

**Comment**

The Report identifies eight areas which are considered deficient, being:

1. Outdated Policies
2. Purchasing Policy
3. Purchase Orders are Dated after Invoice Dates
4. Long Outstanding Purchase Orders

Matters outstanding from prior years:

5. Journal Entries
6. Key Account Reconciliations
7. Cancelled Receipts
8. Amendments to Supplier Masterfile



The rating given to seven deficiencies is Moderate, meaning the findings are of sufficient concern to warrant action being taken to rectify the deficiency as soon as practicable. One finding received a scoring of Minor, meaning the finding is not of primary concern, but still warrant action being taken.

The Report details the Finding against each deficiency, indicates the Implications the deficiency may have on the organisation, and makes Recommendations on how the organisation can best rectify the deficiency. Management was made aware of the identified deficiencies at the conclusion of the Audit and were afforded the opportunity to provide comment and context to the deficiency.

While the matters are fully detailed in the Report, they have been summarised below:

#### **Finding one**

Outdated Policies

##### ***Recommendation***

The Shire should develop a policy on Policy Review frequency and update its policies periodically in order to ensure their currency and relevance.

##### ***Management Comment***

Policies are reviewed annually. All policies listed in this finding will be reviewed within the next 12 months.

#### **Finding two**

Purchasing Policy

##### ***Recommendation***

The Shire should formalise and document the management instructions on procedures in obtaining verbal quotations.

##### ***Management Comment***

Policy recently reviewed and staff training completed.

#### **Finding three**

Purchase Orders dated after Invoice Dates

##### ***Recommendation***

Purchase orders should be authorised for all applicable goods and services prior to placing orders.

##### ***Management Comment***

Management have discussed with relevant staff and provided additional training as a refresher.

#### **Finding four**

Long Outstanding Purchase Orders

##### ***Recommendation***

Management should review the outstanding purchase orders periodically and purge unwanted and fulfilled purchase orders from the system.

##### ***Management Comment***

Outstanding orders are being reviewed quarterly

## MATTERS OUTSTANDING FROM PRIOR YEARS

### Finding five

Journal Entries

#### **Recommendation**

All general journals should be independently reviewed and authorised by an appropriate officer and evidence of preparation and review should be retained.

#### **Management Comment**

All journals are reviewed. New filing procedures and formal evidencing of review will be implemented.

### Finding six

Key Account Reconciliations

#### **Recommendation**

The Shire should arrange for the above reconciliations to be prepared and reviewed by an independent officer. The review should be documented indicating date of review.

#### **Management Comment**

Management has consciously made attempts to implement a new bank reconciliation module since July23 for the improvement of our reconciliations. The implementation process had taken time due to migration and balancing issues. By the time the new module had been implemented without any more issues, there were a backlog of reconciliations that had to be uploaded into the new system. This module will also include the investment reconciliations that will be commencing in the 2024/25 year. The System is now implemented and functional.

The payroll and creditor reconciliations were being reconciled for each month up to December 2023 until staff turnover had impacted on the continuance due to no handover to the new officer in the role and the disruption of key management at the time. This now has been corrected.

### Finding seven

Cancelled Receipts

#### **Recommendation**

The Shire should introduce a formal process for an officer independent of the receipting function to review cancelled receipts.

#### **Management Comment**

Formal review of cancelled receipts to be implemented. Currently informal, as part of end of day process.

### Finding eight

Amendments to Supplier Masterfile

#### **Recommendation**

The Shire should generate a report on amendments to Suppliers Masterfile from the system and perform an independent review of the changes to Suppliers Masterfile regularly and evidence of review should be retained.

#### **Management Comment**

The Supplier Masterfile audit check were not being done as handover was not ever done to the new officer at the time and the disruption of key management at the time (July23 - February24). Management will ensure full awareness of End of Month processes are upskilled to the new officer. Bank account numbers on invoices are currently being checked to payment list and account numbers are being randomly check in aba file. Audit report of changes will be implemented to the EOM process.

Staff will provide additional comment on the Findings and an update of actioning recommendations at the meeting.

**Consultation**

OAG / Auditors

Aaron Wooldridge, Acting Chief Executive Officer

Peter Dittrich, Acting Deputy Chief Executive Officer (prior)

Brian Jones, Acting Deputy Chief Executive Officer

**Policy Implications**

Nil

**Strategic Implications**

**Strategic Community Plan**

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

**Asset Management Plan**

Nil

**Long Term Financial Plan**

Nil

**Statutory Implications**

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government, and the role of the Audit & Risk Committee in considering the results of those audits.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Minor (2)
<b>Likelihood Rating</b>	Unlikely (2)
<b>Risk Matrix Rating</b>	Low (4)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

### Financial Implications

Nil

### Voting Requirements



Simple Majority



Absolute Majority

### Officer's Recommendation - 7.2

That, in accordance with the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. **Receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.2B, from Macri Partners Chartered Accountants for the 2023/24 financial year;**
2. **Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Interim Audit Management Report; and**
3. **Recommends to Council that it receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.2B, from Macri Partners Chartered Accountants for the 2023/24 Interim Audit.**

---

<b>8.</b>	<b>Questions from Members</b>
<b>9.</b>	<b>Urgent Business Approved by the Person Presiding or by Decision</b>
<b>10.</b>	<b>Date of the Next Meeting</b> 24 September 2024, commencing at 2pm.
<b>11.</b>	<b>Closure</b>



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# MINUTES

## Audit & Risk Committee Meeting

Held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
12 March 2024

ABN: 35 939 977 194

P (08) 9631 1202 E [dowshire@dowerin.wa.gov.au](mailto:dowshire@dowerin.wa.gov.au)  
13 Cottrell Street, Dowerin WA 6461

 [www.dowerin.wa.gov.au](http://www.dowerin.wa.gov.au)



# Table of Contents



<b>1.</b>	<b>Official Opening</b>
<b>2.</b>	<b>Record of Attendance / Apologies / Leave of Absence</b>
<b>3.</b>	<b>Public Question Time</b>
<b>4.</b>	<b>Disclosure of Interest</b>
<b>5.</b>	<b>Confirmation of Minutes of the Previous Meetings</b>
5.1	<a href="#">Minutes of the Audit &amp; Risk Committee Meeting held on 22 December 2023</a>
<b>6.</b>	<b>Presentations</b>
<b>7.</b>	<b>Officer's Reports</b>
7.1	<a href="#">2023 Compliance Audit Return</a>
<b>8.</b>	<b>Questions from Members</b>
<b>9.</b>	<b>Urgent Business Approved by the Person Presiding or by Decision</b>
9.1	<a href="#">Risk Dashboard Quarterly Report - March 2024</a>
<b>10.</b>	<b>Date of Next Meeting</b>
<b>11.</b>	<b>Closure</b>

Shire of Dowerin  
Audit & Risk Committee Meeting  
4.00pm Tuesday 12 March 2024



**1. Official Opening**

The Chair welcomed those in attendance and declared the Meeting open at 4:00pm.

**2. Record of Attendance / Apologies / Leave of Absence**

**Committee Members:**

Cr RI Trepp	President & Chair
Cr BA Ward	
Cr DP Hudson	
Cr NP McMorran	Deputy
Ms TA Jones	

**Staff:**

Mr A Wooldridge	Acting Chief Executive Officer
Ms K Rose	Executive & Governance Officer

**Apologies:**

Nil

**Approved Leave of Absence:**

Nil

**3. Public Question Time**

Nil

**4. Disclosure of Interest**

Nil

**5. Confirmation of Minutes of the Previous Meeting(s)**

5.1 Audit & Risk Committee Meeting held on 22 December 2023

**Attachment 5.1A**

**Voting Requirements**



Simple Majority



Absolute Majority

**Officer's Recommendation/Resolution - 5.1**

**Moved:** Cr Hudson

**Seconded:** Cr Ward

**0918**

**That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 22 December 2023, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.**

**CARRIED 5/0**

**For :Cr Trepp, Cr Hudson, Cr Ward, Ms T Jones, Cr McMorran**


**6. PRESENTATIONS**

Nil



**7. OFFICER'S REPORTS**

**7.1 2023 Compliance Audit Return**

<h2 style="color: red;">Governance &amp; Compliance</h2>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	6 March 2024	
<b>Location:</b>	Not Applicable	
<b>Responsible Officer:</b>	David Singe, Chief Executive Officer	
<b>Author:</b>	Kahli Rose, Executive & Governance Officer	
<b>Legislation:</b>	<i>Local Government Act 1995</i>	
<b>SharePoint Reference:</b>	Organisation/Governance/Committees/2024 March Audit & Risk Committee Meeting Organisation/Corporate Management/Reporting/2023 Compliance Audit Return	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<b><u>Attachment 7.1A - 2023 Compliance Audit Return</u></b>	

**Purpose of Report**

Executive Decision

Legislative Requirement

**Summary**

This Item presents the 2023 Compliance Audit Return to the Audit & Risk Committee (the Committee) for consideration and, if satisfactory, recommendation to Council for adoption.

**Background**

Each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the CAR.

After the CAR has been reviewed by the Committee and presented to Council, a copy certified by the President and CEO along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

The CAR is one of the tools available to the Committee and Council in its governance monitoring role. The CAR also forms part of the DLGSC's monitoring program. The 2023 CAR once again places emphasis on the need for the Committee and Council to be aware of and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR requires Council to endorse details of remedial action either taken or proposed to be taken to prevent future like occurrences.

The 2023 CAR contains questions relating to:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power/Duty (13 questions);
3. Disclosure of Interest (21 questions);
4. Disposal of Property (2 questions);
5. Elections (Gift Register) (3 questions);
6. Finance (7 questions);
7. Integrated, Planning and Reporting (3 questions);
8. Local Government Employees (5 questions);
9. Official Conduct (4 Questions);
10. Optional Questions (9 questions); and
11. Tenders for Providing Goods and Services (22 questions).

### Consultation

David Singe, Chief Executive Officer  
Aaron Wooldridge, Deputy Chief Executive Officer  
Ben Forbes, Asset & Works Coordinator  
Kahli Rose, Executive & Governance Officer

### Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

### Strategic Implications

#### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 5

Reference: 5.3.2

#### Asset Management Plan

Nil

#### Long Term Financial Plan

Nil

### Statutory Implications

Section 7.13(1)(i) of the *Local Government Act 1995* requires local governments to carry out a compliance audit in a manner specified by Regulations.

Regulation 14 of the *Local Government (Audit) Regulations 1996* is applicable and states:

#### **“14. Compliance audits by local governments**

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be –*
  - (a) *presented to the council at a meeting of the council; and*

- (b) adopted by the council; and
- (c) recorded in the minutes of the meeting at which it is adopted.”

Regulation 15 of the *Local Government (Audit) Regulations 1996* requires a certified copy of the CAR to be provided to the DLGSC by 31 March:

**“15. Certified copy of compliance audit return and other documents to be given to Departmental CEO**

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with –
  - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit,
 is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- (2) In this regulation –
  - certified** in relation to a compliance audit return means signed by –
    - (a) the mayor or president; and
    - (b) the CEO.”

Risk Implications	
<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework
<b>Action (Treatment)</b>	Document Governance Management Framework
<b>Risk Rating (after treatment)</b>	Adequate

### Financial Implications

Nil

### Voting Requirements



Simple Majority



Absolute Majority

### Officer's Recommendation/Resolution – 7.1

**Moved:** Ms T Jones

**Seconded:** Cr Ward

**0919** That, in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. **Receives the 2023 Compliance Audit Return, as presented in Attachment 7.1A.**
2. **Recommends to Council that it adopts the 2023 Compliance Audit Return and submits it to the Department of Local Government, Sport & Cultural Industries prior to 31 March 2024.**

**CARRIED 5/0**

**For : Cr Trepp, Cr Hudson, Cr Ward, Ms T Jones, Cr McMorran**

Please note that the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

**8. Questions from Members**

**9. Urgent Business Approved by the Person Presiding or by Decision**

**9.1 Risk Dashboard Quarterly Report - March 2024**

<h1 style="color: red;">Governance &amp; Compliance</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	11 March 2024	
<b>Location:</b>	Not Applicable	
<b>Responsible Officer:</b>	Aaron Wooldridge, Acting Chief Executive Officer	
<b>Author:</b>	Kahli Rose, Executive & Governance Officer	
<b>Legislation:</b>	<i>Local Government Act 1995</i>	
<b>SharePoint Reference:</b>	Compliance/Risk Management/Reporting	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	Attachment 9.1A- Risk Dashboard Quarterly Report - March 2024	

**Purpose of Report**

- Executive Decision                       Legislative Requirement

**Summary**

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

**Background**

The Shire of Dowerin’s Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire’s approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play, and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation’s resources are being put to the best use possible. During the

quarterly reporting process, Management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

### Comment

The Risk Dashboard is included as Attachment 9.1A for the Audit & Risk Committee's perusal and comment.

Whilst undertaking the review, management have noted that many of the items present have not been updated or actioned for a significant amount of time, some of which is two years past due date. As this has now presented many potential issues with compliance and risk management, the management team are proposing a complete overhaul of the Risk Dashboard and the items identified within each department. This will allow the management team to gain better clarity on the issues present, and ensure proper process is being followed in the future.

### Consultation

Aaron Wooldridge, Acting Chief Executive Officer  
Kahli Rose, Executive & Governance Officer

### Policy Implications

Council Policy 2.2 - Risk Management Policy is applicable.

### Strategic Implications

#### Strategic Community Plan

Community Priority:	Our Leaders
Objective:	A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs
Outcome:	3
Reference:	L5

#### Asset Management Plan

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

#### Long Term Financial Plan

Identified key controls and actions associated with financial management are factored into the Long-Term Financial Plan.

### Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

**Financial Implications**

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation/Resolution - 9.1**

**Moved:** Ms T Jones **Seconded:** Cr Hudson

**0920** That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. **Receives the Risk Dashboard Quarterly Report - March 2024, as presented in Attachment 9.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin;**
2. **Recommends to Council that it adopts the Risk Dashboard Quarterly Report - March 2024; and**
3. **Acknowledge that the Risk Dashboard currently needs a detailed review, which management will undertake by the next Audit & Risk Committee Meeting (June TBD).**

**CARRIED 5/0**

**For : Cr Trepp, Cr Hudson, Cr Ward, Ms T Jones, Cr McMorran**

**10. Date of the Next Meeting**

June 2024 at a date and time yet to be determined.

**11. Closure**

The Chair thanked those in attendance and declared the Meeting closed at 4:48pm

UNCONFIRMED



# Shire of Dowerin Risk Dashboard Report - June 2024

Asset Management Practices			Risk Moderate	Control Adequate
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.				
Actions	Due Date	Responsibility		
Revaluation of Road Assets	Jun-24	CEO		
Update RAMM Annually	Jun-24	CEO		
Link Building Maintenance Schedule to AMP	Jun-24	DCEO		
Review Asset Management Plan	Completed	CEO & DCEO		
Review LTFP and Link to AMP	Completed	DCEO		
Review Fuel Stock Control System	Jun-24	CEO / DCEO / AWC		
Review Fuel Stock Control System	Completed	DCEO		
Implement New Fuel Stock Control System	Completed	CEO / DCEO / AWC		

Business Disruption			Risk Moderate	Control Adequate
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).				
Actions	Due Date	Responsibility		
Annual LEM Exercise Undertaken	Mar 24	CEO		
Review Business Continuity Plan	Aug 24	CEO		
Business Continuity Plan Drill to be Undertaken Annually	Dec 23	CEO & DCEO		
Develop IT Disaster Recovery Plan	Dec 22	DCEO		
Fire Breaks Inspected and Enforced Annually	Nov 24	DCEO		
Fire Fighting Equipment Maintained and Serviced Annually	Aug 24	CEO		
Wardens (Internal) - Training of New Wardens	Dec 24	CEO & DCEO		
Admin Generator Maintained and Serviced	Monthly	CEO		
Review Managing Emergencies in Shire Facilities	Complete Dec 23	CEO & DCEO		

Failure to fulfil Compliance Requirements (Statutory)			Risk Moderate	Control Adequate
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.				
Actions	Due Date	Responsibility		
Document Governance Framework	Completed Dec 23	CEO & EGC		
Continue Implementation of Training Program for Councillors and Staff	Ongoing	CEO, DCEO & EGC		
Review Councillor Induction Manual - Every 2 Years	Completed Oct 23	EGC		
Review Human Resource Management Framework	Dec-22	CEO & DCEO		
Review Information Management System	Completed 2023 - ongoing	DCEO		
End of Year Financial Audit - Prepare	Sep-24	DCEO		
Interim Audit Finding 30 June 2023 - Action of Findings	Progressing	DCEO		
Audit Finding 30 June 2024 - Action of Findings	Jun-24	DCEO		

Document Management Processes			Risk Moderate	Control Adequate
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.				
Actions	Due Date	Responsibility		
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Completed	DCEO		
Refurbishment of Archive Room to Improve Compliance	Completed	CEO		
Review Sharepoint System	Dec-24	DCEO		
Review Information Management Framework	Dec-24	DCEO		
Information Management Staff Training	Ongoing	DCEO		
Review Record Keeping Plan	Completed	DCEO		

Employment Practices			Risk Moderate	Control Adequate
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).				
Actions	Due Date	Responsibility		
Develop a Health and Wellbeing Program	Implementing	CEO & DCEO		
Review Workforce Plan	Oct-24	CEO & DCEO		
Create Checklist for Human Resource Management Framework	Completed	CEO & DCEO		
Update Training Register & Develop 2023/2024 Training Program	To undertake 24/25 plan	CEO & DCEO		
Review Staff Induction Process	Completed	DCEO		
Conduct Annual Drivers License Checks	Annually in Apr	DCEO		
Conduct Annual Performance Reviews	Annually in Apr	CEO & DCEO		

Engagement Practices			Risk Moderate	Control Adequate
Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.				
Actions	Due Date	Responsibility		
Review Community Complaints, Feedback & Request Handling Process	Dec-23	CEO & DCEO		
Review Community Engagement Policy & Framework	Aug-23	CEO, DCEO & CDO		
Conduct Community Satisfaction Survey	Sep-24	CEO & CDO		
Review Process For Customer Response Requests	Dec-23	DCEO		
Review Customer Service Charter (every two years)	As Required	DCEO		
Review Customer Service Charter (every two years)	Sep-24	EGC		
Update Complaint Register (in accordance to Act)	As Required	DCEO		

Environment Management			Risk Moderate	Control Adequate
Inadequate prevention, identification, enforcement and management of environmental issues.				
Actions	Due Date	Responsibility		
Develop Waste Water Management Plan & Program	Jun-24	CEO		
Develop Waste Management Plan & Program	Jun-24	CEO		
Complete Audit of Sewage System	Jun-25	CEO		
Address Compliance of Waste Management	Ongoing	CEO		
Address Compliance of Waste Water Re-Use	Sep-24	CEO		

Errors, Omissions & Delays			Risk Moderate	Control Adequate
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.				
Actions	Due Date	Responsibility		
Review Employee Code of Conduct	Completed	CEO & EGC		
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO		
Centralise Checklists, Controls and Procedures	Dec-23	CEO & DCEO		
Review Customer Service Complaints & Request Process to include Snap Send Solve	Dec-23	DCEO		

External Theft & Fraud (Including Cyber)			Risk Moderate	Control Adequate
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).				
Actions	Due Date	Responsibility		
Review Access Controls to Include Key Register	Jun-24	CEO & DCEO		
Photographic Record of Minor Assets & Align With Minor Assets Register >\$5,000	Dec-23	DCEO		
Implement Quarterly Schedule For Changing Passwords	Ongoing	DCEO		
Review Security and Storage of Records	Completed	DCEO		
Document Financial Management System	Dec-23	DCEO		

## Shire of Dowerin Risk Dashboard Report - June 2024

Management of Facilities / Venues / Events			Risk	Control
			Low	Adequate
Failure to effectively manage the day to day operations of facilities, venues and / or events.				
Actions	Due Date	Responsibility		
Develop Event Management Framework	Dec-23	CDO		
Develop Reserves Management Register	Completed	DCEO		
Create Inspection and Maintenance Schedules for Event Equipment	Oct-23	CDO		
Undertake Community Facilities Review	Aug-23	CEO & CDO		
Public Buildings Inspected Annually for Compliance	Nov-23	CEO		

IT or Communication Systems and Infrastructure			Risk	Control
			Moderate	Adequate
Disruption, financial loss or damage to reputation from a failure of information technology systems. Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.				
Actions	Due Date	Responsibility		
Develop IT Disaster Recovery Plan	Dec-22	DCEO		
Review IT Management Service Level Agreement	Jan-24	DCEO		
Document IT Infrastructure Replacement Program	Dec-24	DCEO		
Develop Secure Password Procedure	Dec-24	DCEO		
Develop Secure Password Procedure	Completed	DCEO		
Replacement of Phone System	Sep-21	DCEO		
Document IT System Framework & Services	Jun-21	DCEO		

Misconduct			Risk	Control
			Moderate	Adequate
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.				
Actions	Due Date	Responsibility		
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO		
Centralise Checklists, Controls and Procedures	Jun-24	CEO & DCEO		
Review Fuel Stock Control and Process	Completed	DCEO		
Present Regulation 17 Review to Audit & Risk Committee - Every 3 Years	Feb-26	CEO		
Review Purchasing Policy & Procurement Process	Dec-24	DCEO		
Review Social Media Policy 1.12	Completed	EGC		
Review Code of Conduct (Councillor)	Jul-23	CEO & EGC		
Conduct Drivers Licence Check Annually	April Annually	CEO & DCEO		

Project / Change Management			Risk	Control
			Moderate	Adequate
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.				
Actions	Due Date	Responsibility		
Develop Project Management Methodology and Framework	Dec-23	DCEO		
Review Communication and Engagement Framework	Aug-23	CEO & CDO		

Safety and Security Practices			Risk	Control
			Moderate	Adequate
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.				
Actions	Due Date	Responsibility		
Review Hazard Register	Annually	CEO & DCEO		
Update Staff Training Register	Ongoing	CEO & DCEO		
Conduct Quarterly Workplace Inspections	Quarterly	CEO		
Safe Work Method Statements (SWMS) Library	Completed	CEO		
Assess Shire Building and Facility Safety and Security	Nov-23	CEO		
Develop Isolated Worker Management Procedure	Oct-22	CEO		
Re-Establish WSH Committee & Conduct Bi-Monthly Meetings	Monthly	CEO		
Review Managing Emergencies In Shire Facilities	Dec-23	CEO & DCEO		
Conduct Annual BCP and LEMC Drills	Dec-23	CEO		
Review Contractor Inductions and Register	Jun-22	CEO		

Supplier / Contract Management			Risk	Control
			Moderate	Adequate
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.				
Actions	Due Date	Responsibility		
Review Purchasing Policy	Dec-23	CEO & DCEO		
Develop Standardised Contracts	Ongoing	CEO & DCEO		
Document Financial Controls	Ongoing	DCEO		
Develop Appropriate Financial Reporting Tools	Ongoing	DCEO		
Develop Centralised Contract Management System	Ongoing	CEO & DCEO		

# Asset Management Practices

Jun-24

## Risk Context

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.

Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning (capital renewal plan).

*It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.*

## Potential causes include;

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of timely & appropriate maintenance / inspections
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Key Controls	Type	Last Reviewed	Rating
Roads Maintenance Program	Preventative	Jan-24	Effective
Road Asset Management Program (RAMM)	Preventative	Jul-22	Adequate
Fleet and Plant Maintenance Program	Preventative	Jan-24	Effective
Building Maintenance Program	Preventative	Jan-24	Effective
Asset Management Plan	Preventative	Sep-22	Adequate
Plant Replacement Program	Preventative	Jan-24	Effective
Sewerage Maintenance Plan & Program	Preventative	Oct-19	Inadequate
Road Strategy	Preventative	Jun-21	Adequate
Stock Control Systems (Fuel)	Preventative	Jul-23	Effective
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Revaluation of Road Assets	Jun-24	CEO
Revaluation of Sewerage System	Jun-25	CEO
Revaluation of Other Infrastructure	Jun-25	DCEO
Revaluation of Land & Buildings	Jun-23	DCEO
Update RAMM Annually	Jun-24	CEO
Link Building Maintenance Schedule to AMP	Jun-24	DCEO
Review Asset Management Plan	Completed	CEO & DCEO
Review LTFP and Link to AMP	Completed	DCEO
Review Fuel Stock Control System	Completed	CEO
Implement New Fuel Stock Control System	Completed	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
AMP & LTFP	Reviewed Annually	Completed	Improving
Accidents and / or Damage to Property	<2 Per Quarter	7 for Quarter	Worsening
Annual Road Program Uploaded into RAMM	Annually in June	Being reviewed Jul24	Improving
10 Year Plant Program Updated	Annually in March		
Sewer Asset Management Plan Completed	Jun-24		

## Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
Maintain assets at a suitable level from procurement to disposal.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Partial	Partial	No	No	
CEO	Yes	Yes	Partial	Yes	No	
DCEO	Yes	Yes	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	No	No	No	No	No	
CEO	Yes	Yes	Yes	Yes	No	
DCEO	Yes	Yes	Yes	Yes	Partial	Risk of fraud is minimal

Original Due Date	Extension 1 Date	Extension 2 Date	Extension 3 Date	Comments / Current Status
				Revaluation completed 2020 *
				Revaluation completed June 2022
				Revaluation completed June 2022
				Revaluation completed June 2023
				Data updated in RAMMS; 22/23 program scheduled to upload in July
Dec-20	Apr-21	Jun-22	Jun-24	Rescheduled for June 2024 to be ready for 2024/25 year.
				Adopted September 2023
				Reviewed AMP & LTFP adopted

KPI / Action Data					
2024	2023	2022	2021	2020	Comments
		Completed			AMP & LTFP reviewed & adopted
		3	8	8	Rated quarterly
					KPI introduced July 2023 - rate in July each year
					KPI introduced July 2023 - rate in April each year
3					KPI introduced July 2023 - rate in July 2024

Additional / Final Comments
Reviewed by Management Team - Jun3 2024
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

## Business & Community Disruption Jun-24

Risk Context
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).
This includes;
-Lack of (or inadequate) emergency response / business continuity plans.
-Lack of training for specific individuals or availability of appropriate emergency response.
-Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
-Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc
<i>This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT &amp; communication systems and infrastructure".</i>

Potential causes include;	
Cyclone, storm, fire, earthquake	Extended utility outage
Terrorism / sabotage / criminal behaviour	Economic factors
Epidemic / pandemic	Loss of key staff
Loss of suppliers	Loss of key infrastructure

Key Controls	Type	Last Reviewed	Rating
Local Emergency Management Arrangements (LEMA)	Preventative	Oct 19	Adequate
Business Continuity Plan	Preventative	Aug 22	Adequate
Managing Emergencies in Shire Facilities	Preventative	Oct 23	Adequate
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Annual LEM Exercise Undertaken	Mar 24	CEO
Review Business Continuity Plan	Aug 24	CEO
Business Continuity Plan Drill to be Undertaken Annually	Dec 23	CEO & DCEO
Develop IT Disaster Recovery Plan	Dec 22	DCEO
Fire Breaks Inspected and Enforced Annually	Nov 24	DCEO
Fire Fighting Equipment Maintained and Serviced Annually	Aug 24	CEO
Wardens (Internal) - Training of New Wardens	Dec 24	CEO & DCEO
Admin Generator Maintained and Serviced	Monthly	CEO
Review Managing Emergencies in Shire Facilities	Complete Dec 23	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Missed LEMC Committee Meetings	1 per annum	2	Improving
Number of Firebreak Infringements Issued	5 per annum	2	Constant
LEMC Annual Exercise Undertaken	1 per annum	1	Constant
BCP Annual Exercise Undertaken	1 per annum	1	Constant
Business Continuity Plan Reviewed (every 2nd second)	3 Months	New	
Develop IT Disaster Plan	3 Months	New	
Emergencies in Shire Facilities Plan Reviewed ( every 5 years)	6 Months	New	

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Interruption; Reputation; Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

<b>Objective:</b> To continue delivery of critical services at acceptable levels following a disruption
---

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Working with Dept Comm and DFES to do exercise with DMFD scenario (update Jul 24)
			Reviewed August 2022; Next due August 2024
			Completed December 2022; Next due December 2023
Dec-20	Jun-21	Dec-22	Deferred until DCEO can review IT system & controls; IT provider to advise schedule
			Inspected November 2023, Next Due November 2024
			Inspections completed; Next inspection August 2024
			Needs to be completed due to staff turnover. Due Dec 24
			Inspections included in maintenance schedule
Jun-20	Dec-21	Jun-22	Deferred; Scheduled to complete December 2023 (consultant engaged)

KPI / Action Data			
2023	2022	2021	Comments
	1	1	Rate annually in December; 3 meetings held in 2022
	0	0	Rate annually in December
	1	Nil	Rate annually in December; Conducted June 2022 & March 2023
	1	2	Rate annually in December; Conducted December 2022
			KPI introduced July 2023 - next due July 2024
			KPI introduced July 2023
			KPI introduced July 2023 - current review underway

Additional / Final Comments	
Reviewed by Management Team - June 2023	
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies	

# Failure to fulfil Compliance Requirements and Regulatory)

(Statutory Jun-24

**Risk Context**

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.

It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices").

**Potential causes include;**

Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff / Councillor Turnover	No Compliance Officer or person responsible for Compliance oversight and enforcement
Inadequate record keeping / failure of corporate electronic systems	Breakdowns in the tender or procurement process
Ineffective policies & processes	Ineffective monitoring of changes to legislation

Key Controls	Type	Last Reviewed	Rating
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Information Management System	Preventative	Unknown	<b>Adequate</b>
Human Resource Management Framework	Preventative	Ongoing	<b>Adequate</b>
Access to Accurate & Current Legislation & Regulations	Preventative	Ongoing	<b>Adequate</b>
Governance Calendar	Preventative	Ongoing	<b>Adequate</b>
Council & Staff Inductions	Preventative	Ongoing	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Document Governance Framework	Completed Dec 23	CEO & EGC
Continue Implementation of Training Program for Councillors and Staff	Ongoing	CEO, DCEO & EGC
Review Councillor Induction Manual - Every 2 Years	Completed Oct 23	EGC
Review Human Resource Management Framework	Dec-22	CEO & DCEO
Review Information Management System	Completed 2023 - ongoing	DCEO
End of Year Financial Audit - Prepare	Sep-24	DCEO
Interim Audit Finding 30 June 2023 - Action of Findings	Progressing	DCEO
Audit Finding 30 June 2024 - Action of Findings	Jun-24	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Financial and Performance Audit Qualifications	Unqualified Audit	Unqualified Audit	Improving
Financial and Performance Audit Findings Actioned	3 Months		
Compliance Audit Return	As per legislated	Compliant	Constant
Financial Management System Review (Every 3 Years)	As per legislated	Compliant	Constant
CEO Regulation 17 Review (Every 3 Years)	As per legislated	Compliant	Constant
Governance Structure Documented	Dec-24		
Information Management System Review Completed	Dec-24		
Human Resource Management Framework Documented	Dec-24		

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
**Compliance with Statutory and Regulatory Local Government obligations, including the Local Government Act, Planning & Development Act, Health Act, Building Act and Freedom of Information Act**

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
EGC	No	No	Yes	Yes	No	Documentation not required
EGC	Yes	Yes	Yes	Yes	No	Reviewed July 2024
CEO; DCEO	Yes	Yes	Yes	Yes	No	Reviewed Oct 2023

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Jun-22	Completed, requires review by current A/CEO - finalised in December 23
			Progressing
			Completed Oct 2023
Ongoing	Feb-21	Jun-22	Progressing; Extended completion to December 2023 due to other priorities
Dec-20	Feb-21	Dec-22	Commenced; Expected to be finalised by September 2023
			Financials Year Ending 2022/23 completed
			Actions progressing. Interim Audit for 23/24 complete
			Fair value of land & buildings & infrastructure assets to be assessed June 2023

KPI / Action Data			
2023	2022	2021	Comments
	Unqualified Audit	Unqualified Audit	Rated annually in December
			KPI introduced July 2023
Compliant	Compliant	Compliant	Completed February 2022; Rated annually in March
Compliant	Compliant	Not Rated	Reviewed November 2022; Next due October 2025
Compliant	Compliant	Not Rated	Last reviewed September 2019; Due December 2022; Completed February 2023
			KPI introduced July 2023
			KPI introduced July 2023
			KPI introduced July 2023

Additional / Final Comments
Reviewed by Management Team - June 2023
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

# Document Management Processes

Jun-24

<b>Risk Context</b>
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.
This includes: -Contact lists -Procedural documents, personnel files, complaints -Applications, proposals or documents -Contracts -Forms or requests

**Objective:**  
Adequately capture, store, archive, retrieve, provide and ultimately dispose of Shire documentation

<b>Potential causes include;</b>	
Incompatible systems	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed

Key Controls	Type	Last Reviewed	Rating
Information Management Framework	Preventative	Dec-20	<b>Adequate</b>
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Recordkeeping Plan	Preventative	Sep-22	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Partial	Yes	No	

Actions (Treatments)	Due Date	Responsibility
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Completed	DCEO
Refurbishment of Archive Room to Improve Compliance	Completed	CEO
Review Sharepoint System	Dec-24	DCEO
Review Information Management Framework	Dec-24	DCEO
Information Management Staff Training	Ongoing	DCEO
Review Record Keeping Plan	Completed	DCEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			
Completed			
Jun-21	Dec-21	Apr-22	Stage 1 completed
Jun-20	Jun-21	Jun-22	Progressing; Extended completion to Dec 23 due to other priorities
Ongoing			Form part of Induction Process - will need updating to include PRIS framework
Jun-21	Dec-21	Jun-22	Completed

Key Performance Indicators	Tolerance	Latest Result	Trend
Information Management Framework Reviewed	Dec-24		
Retention & Disposal Compliant	As legislated		
Record Keeping Plan Annual Report Lodged	As legislated		

KPI / Action Data			
2023	2022	2021	Comments
			KPI revised July 2023
			KPI revised in July 2023; Rate annually in December
			KPI revised July 2023; Rate annually in December

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Additional / Final Comments**  
Reviewed by Management Team - June 2023  
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Employment Practices

Jun-24

**Risk Context**  
 Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).  
 This includes:  
 -Not having appropriately qualified or experienced people in the right roles  
 -Insufficient staff numbers to achieve objectives  
 -Breaching employee regulations  
 -Discrimination, harassment & bullying in the workplace  
 -Poor employee wellbeing (causing stress)  
 -Key person dependencies without effective succession planning in place  
 -Industrial activity

**Potential causes include;**

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Key Controls	Type	Last Reviewed	Rating
Workforce Plan	Preventative	May-19	Effective
Human Resource Management Framework	Preventative	May-19	Adequate
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Develop a Health and Wellbeing Program	Implementing	CEO & DCEO
Review Workforce Plan	Oct-24	CEO & DCEO
Create Checklist for Human Resource Management Framework	Completed	CEO & DCEO
Update Training Register & Develop 2023/2024 Training Program	To undertake 24/25 plan	CEO & DCEO
Review Staff Induction Process	Completed	DCEO
Conduct Annual Drivers License Checks	Annually in Apr	DCEO
Conduct Annual Performance Reviews	Annually in Apr	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Training Program (% Completed)	90% per annum	Not rated	
Absenteeism (% of Personal)	> 10 days per FTE	32%	
Absenteeism (% Unpaid Leave)	> 0 days per FTE	41%	
Employee Turnover (% Turnover Rate of Permanent Staff)	10%	Not rated	
Performance Reviews (% Completed)	100% per annum	100%	Constant
Annual Drivers Licenses (% Completed Checks)	100% per annum	100%	Constant
Workers Compensation Claims	< 1 per annum	1	Improving

**Residual Risk Rating**

Consequence Category	Risk Ratings	Rating
Compliance / Health / Reputational / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Notes:**

Australian Public Service Commission  
 .id informed decisions  
 CEMI (UWA)  
 National turnover 8.5%

**Objective:**  
 Effective management and leadership of human resources (full-time, part-time, casual, temporary and volunteer).

**Control Assurance**

Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Implementing 2023/24 Plan. 2024/25 plan must be finalised.
Apr-20	Mar-21	Jul-22	Review underway, deferred to allow new CEO input
Jun-20	Jun-21	Jun-22	Checklist is place; refining framework continues
			Live document in place
Mar-20	Sep-20	Jun-22	
			Conducted check during performance review process in April 2023
			Performance reviews conducted during April/May 2024

**KPI / Action Data**

2023	2022	2021	Comments
	Not Rated	Not Rated	Control not in place to rate indicator
	32%	Not Rated	KPI to be reviewed to consider tolerance and measure
	1.20%	Not Rated	KPI to be reviewed to consider tolerance and measure
	53.96%	Not Rated	KPI to be reviewed to consider tolerance and measure
100%	100%	100%	Rate annually in June
100%	100%	100%	Rate annually in June
1	2	4	Rate annually in June

**Additional / Final Comments**  
 Reviewed by Management Team - June 2023  
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Engagement Practices

Jun-24

**Risk Context**

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

For example;

- Following up on any access & inclusion issues
- Infrastructure Projects
- Local planning initiatives
- Strategic planning initiatives

*This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.*

**Objective:**  
**Effective working relationships (communication, feedback & consultation) with the Community, local Media, Stakeholders, key Private Sector Companies, Government Agencies and Elected Members.**

**Potential causes include;**

Relationship breakdowns with community groups	Short lead times
Leadership inattention to current issues	Miscommunication / poor communication
Inadequate documentation or procedures	Inadequate Regional or District Committee attendance.
Budget / funding issues	Inadequate involvement with, or support of community groups

Key Controls	Type	Last Reviewed	Rating
Community & Engagement Framework	Preventative	Sep-21	<b>Adequate</b>
Communication & Engagement Policy	Preventative	Sep-21	<b>Adequate</b>
Complaint Handling Process	Preventative	Jun-21	<b>Adequate</b>
Community Satisfaction Survey	Detective	Sep-22	<b>Adequate</b>
Customer Service Charter	Preventative	Sep-22	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant

Actions (Treatments)	Due Date	Responsibility
Review Community Complaints, Feedback & Request Handling Process	Dec-23	CEO & DCEO
Review Community Engagement Policy & Framework	Aug-23	CEO, DCEO & CDO
Conduct Community Satisfaction Survey	Sep-24	CEO & CDO
Review Process For Customer Response Requests	Dec-23	DCEO
Review Customer Service Charter (every two years)	Sep-24	EGC
Update Complaint Register (in accordance to Act)	As Required	DCEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Sep-19	Jun-20	Apr-22	Extended completion to December 2023 due to other priorities
			Review every 2 years; Due August 2023
			Completed Septmeber 2022; next due September 2024
Jun-22	Dec-23		Extended completion to December 2023 due to other priorities
			Review completed July 24. Requires finalisation
			Register available on Shire website & update as required

Key Performance Indicators	Tolerance	Latest Result	Trend
Number Complaints from the Community Not Responded To	<3 per quarter	Not Rated	
Community Satisfaction Survey - Council Leadership within the Community	80% Satisfaction	70%	<b>Worsening</b>
Community Satisfaction Survey - How the community is consulted & informed about local issues	80% Satisfaction	56%	<b>Worsening</b>
Community Engagement Framework	Completed	Completed	Constant

KPI / Action Data			
2023	2022	2021	Comments
	<i>Not Rated</i>	<i>Not Rated</i>	Rated annually in December; control to be identified to capture indicator
	<i>70%</i>	<i>Not Rated</i>	Rated biannually in December; Next due 2024
	<i>56%</i>	<i>Not Rated</i>	Rated biannually in December; Next due 2024
		<i>Completed</i>	Rate in December; Review due August 2023

**Residual Risk Rating**

Consequence Category	Risk Ratings	Rating
Reputation	<b>Consequence:</b>	<i>Minor (2)</i>
	<b>Likelihood:</b>	<i>Likely (4)</i>
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Additional / Final Comments**

Reviewed by Management Team - June 2023

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.



# Environment Management

Jun-24

## Risk Context

Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed & mosquito / Vector control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

## Objective:

Effective management and protection of our environment

## Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Prolific extractive industry (sand, limestone, etc.)	Competing land use (growing population vs conservation)

Key Controls	Type	Last Reviewed	Rating
Road Engineering & Subdivision Policy (4.4)	Preventative	Aug-21	<b>Adequate</b>
Recycled Water Management Plan & Program	Preventative		<b>Adequate</b>
Contaminated Sites Register	Preventative	Jun-22	<b>Adequate</b>
Waste Management Plan & Program	Preventative		<b>Not Rated</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	Requires updating. OCM Oct 24
CEO	Yes	Yes	Yes	Yes	No	In Draft
CEO	Yes	Yes	Yes	Yes	No	
CEO	No	No	No	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Waste Water Management Plan & Program	Jun-24	CEO
Develop Waste Management Plan & Program	Jun-24	CEO
Complete Audit of Sewage System	Jun-25	CEO
Valuation of Sewage System	Jun-25	CEO
Address Compliance of Waste Management	Ongoing	CEO
Preparation of Refuse Site Closure Plan	Dec-23	CEO
Address Compliance of Waste Water Re-Use	Sep-24	CEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-22		Plan in draft
Dec-20	Jun-21	Jun-22	Deferred; not considered a priority at present
Completed			
Completed			Completed June 2022; Next due June 2025
Ongoing			CEO to determine & identify any gaps
			Contractor engaged
Jun-21	Jun-22	Sep-22	Recycled Water Quality Management Plan draft submitted to DoH for comment

Key Performance Indicators	Tolerance	Latest Result	Trend
Annual Waste & Recycling Data Reporting	As per legislated	Completed	Constant
Satisfactory Water Sampling For Water Re-Use	100%	Completed	Constant
Asbestos Register	As per legislated	Maintained	Constant
Contaminated Site Register	As per legislated	Maintained	Constant

KPI / Action Data			
2023	2022	2021	Comments
	<i>Submitted</i>	<i>Submitted</i>	Completed as per statutory requirements; Next due October 2023
	<i>200%</i>	<i>200%</i>	Water sampling conducted monthly during irrigation season; rate in December
	<i>Maintained</i>	<i>Maintained</i>	Last reviewed June 2021; Review annually in June
	<i>Maintained</i>	<i>Maintained</i>	Maintained

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Environment / Reputation / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - June 2023

## Errors, Omissions & Delays Jun-24

Risk Context
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.
Examples include; -Incorrect planning, development, building, community safety and Emergency Management advice -Incorrect health or environmental advice -Inconsistent messages or responses from Customer Service Staff -Any advice that is not consistent with legislative requirements or local laws. -Human error -Inaccurate recording, maintenance, testing or reconciliation of data. -Inaccurate data being used for management decision-making and reporting. -Delays in service to customers <i>This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes"</i>

**Objective:**  
Minimal errors, omissions or delays in service delivery and advisory activities

Potential causes include;	
Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Unrealistic expectations from community, council or management	Health issues
Poor use of check sheets / FAQ's	Lack of understanding

Key Controls	Type	Date	Rating
Checklists and Documented Procedures	Preventative	Nov-19	Adequate
Complaints Register	Preventative	Nov-19	Adequate
Complaints Process	Recovery	Nov-19	Adequate
Councillor Information Bulletin	Preventative	Nov-19	Adequate
Customer Service Charter	Preventative	Nov-19	Adequate
Delegations & Register	Preventative	Nov-19	Adequate
Electronic Records - Sharepoint	Recovery	Nov-19	Adequate
External Communications (website, news articles)	Preventative	Nov-19	Adequate
External Consultants (ie. legal)	Preventative	Nov-19	Adequate
Customer Service Request Procedure	Preventative	Nov-19	Adequate
File Note/Documentation	Preventative	Nov-19	Adequate
Internal Communications (staff newsletter, regular meetings)	Preventative	Nov-19	Adequate
Performance Reviews	Preventative	Nov-19	Adequate
Qualified Building, Health & Planning Officers	Preventative	Nov-19	Adequate
Segregation of Duties (financial control)	Preventative	Nov-19	Adequate
Staff Inductions	Preventative	Nov-19	Adequate
Staff Training (formal & on-the-job)	Preventative	Nov-19	Effective
Council Motions Register	Preventative	Nov-19	Adequate
Workforce Plan	Preventative	Nov-19	Adequate
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Employee Code of Conduct	Completed	CEO & EGC
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO
Centralise Checklists, Controls and Procedures	Dec-23	CEO & DCEO
Review Customer Service Complaints & Request Process to include Snap Send Solve	Dec-23	DCEO

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	Partial	
All Staff	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
SMT	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
EGC	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			July 2022 presented to all staff, next due July 2024
			Continuous improvement
Dec-20	Jun-21	Jun-22	Progressing as part of the review of SharePoint
Jun-22			Progressing as part of the review of SharePoint

Key Performance Indicators	Tolerance	Latest Result	Trend
Legal Claims	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (minor)	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (major)	0	0	Constant
Referral to SAT/Ombudsman/Public Sector Commission	0	0	Constant
Number of Complaints to Local Government Standards Panel	0	0	Constant
External Audit Qualification	Unqualified Audits	Unqualified Audit	Constant
Staff Training Target Met	90%	Not Rated	

KPI / Action Data			
2023	2022	2021	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
	Unqualified Audit	Unqualified Audit	Rate annually in December
	Unable to Rate	Unable to Rate	Rate annually in June; Control to be identified to rate indicator

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Compliance	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Additional / Final Comments**  
Reviewed by Management Team - June 2023  
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# External Theft & Fraud (Including Cyber)

Jun-24

## Risk Context

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).

For the purposes of;

-Fraud: benefit or gain by deceit

-Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems

-Theft: stealing of data, assets or information

## Potential causes include;

Inadequate security of equipment / supplies / cash	Inadequate provision for patrons belongings
Robbery	Lack of Supervision
Scam Invoices	Collusion with internal staff
Cyber crime	

Key Controls	Type	Last Reviewed	Rating
Building Security Access Controls (Keys and Keypad Access)	Preventative	Unknown	<b>Adequate</b>
Equipment Storage and Access Controls	Preventative	Unknown	<b>Adequate</b>
IT Security Framework (Passwords and Security Protocols)	Preventative	Sep-19	<b>Adequate</b>
Financial Management System	Preventative	Sep-19	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Access Controls to Include Key Register	Jun-24	CEO & DCEO
Photographic Record of Minor Assets & Align With Minor Assets Register >\$5,000	Dec-23	DCEO
Implement Quarterly Schedule For Changing Passwords	Ongoing	DCEO
Review Security and Storage of Records	Completed	DCEO
Document Financial Management System	Dec-23	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
Number of Incidents of Theft or Fraud	0	0	Constant
Passwords Changed Quarterly	100%	100%	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Financial / Property	<b>Consequence:</b>	Minor (2)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

To prevent a loss of funds, assets, data or unauthorised access by external parties

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	No	Partial	
CEO	Partial	Partial	Partial	No	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Dec-21	Progress stalled, no due date set
Jun-20			Progressing
			Secure password policy in place; reset passwords every 90 days
			Last reviewed August 2022; next due August 2023
Oct-21	Dec-22	Dec-23	Commenced, expected to finalise in December 2023

KPI / Action Data			
2023	2022	2021	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
100%	100%	100%	Rate annually in June

Additional / Final Comments
Reviewed by Management Team - June 2023
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Management of Facilities / Venues / Events

Jun-24

Risk Context
Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes; -Inadequate procedures in place to manage quality or availability. -Poor crowd control -Ineffective signage -Booking issues -Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility) -Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

**Objective:**  
Effective management of the day to day operations of facilities, venues and events.

Potential causes include;	
Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Falsifying hiring agreements (alcohol on site / lower deposit)	Failed safety / chemical / health requirements
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)

Key Controls	Type	Last Reviewed	Rating
Event Management Framework	Preventative	May-19	Adequate
Building Maintenance Program	Preventative	May-19	Adequate
Facility / Venue Booking System	Preventative	May-19	Adequate
Reserves Management System	Preventative	May-19	Adequate
Asset Management Plan	Preventative	May-19	Adequate
Statutory Public Building Compliance Program	Preventative	Nov-21	Adequate
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Partial	Yes	No	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	No	No	No	
CEO; DCEO	Partial	Partial	Partial	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Event Management Framework	Dec-23	CDO
Develop Reserves Management Register	Completed	DCEO
Create Inspection and Maintenance Schedules for Event Equipment	Oct-23	CDO
Undertake Community Facilities Review	Aug-23	CEO & CDO
Public Buildings Inspected Annually for Compliance	Nov-23	CEO
Develop Wheatbelt Heritage Rail Management Plan	Jun-23	CEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Mar-20	Jun-20	Jun-22	Event Management Plan in place, yet to complete framework; extend to Dec 2023
			Completed
Dec-19	Mar-20	Jun-22	Extend to October 2023 due to other priorities
Jun-20	Feb-21	Jun-22	Near completion
Dec-20	Nov-21	Apr-22	Inspections completed November 2022: Next due Novemebr 2023
			Not commenced

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Injuries / Incidents at Events	0	0	Constant
Number of Injuries / Incidents at Facilities	0	0	Constant
Customer Satisfaction Survey - Facilities	<65%	83%	Improving
Compliance of Events and Facilities	>90%	90%	Constant
Reserves Management Register	Maintained	Not Rated	

KPI / Action Data			
2023	2022	2021	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
83%	83%	Not Rated	Rated every 2 years; Due Setpember 2024
	Compliant	Not Rated	Rated every 2 years; Due Setpember 2024
	Maintained	Maintained	Rate annually in December 2023

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	Minor (2)
	Likelihood:	Unlikely (2)
	<b>Overall Risk Ratings:</b>	<b>Low</b>

**Additional / Final Comments**  
Reviewed by Management Team - June 2023  
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

## IT or Communication Systems and Infrastructure Jun-24

Risk Context
Disruption, financial loss or damage to reputation from a failure of information technology systems. Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.
Examples include failures or disruptions caused by: -Hardware or software -Networks -Failures of IT Vendors
This also includes where poor governance results in the breakdown of IT maintenance such as: -Configuration management -Performance monitoring
This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;	
Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery Processes
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Software vulnerability	Equipment purchases without input from IT department
Incompatibility between operating systems	Vulnerability to user error

Key Controls	Type	Last Reviewed	Rating
IT Infrastructure Replacement Program	Preventative	Jul-20	<b>Adequate</b>
IT Management Service Level Agreement	Detective	Early 2018	<b>Adequate</b>
IT Managed Service Agreement Monthly Report	Detective	Monthly	<b>Adequate</b>
IT Disaster Recovery Plan	Recovery		<b>Not Rated</b>
IT System Access Framework	Preventative		<b>Adequate</b>
Secure Password Procedure	Preventative		<b>Adequate</b>
Advanced Email Protection	Preventative	Aug-20	<b>Effective</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions	Due Date	Responsibility
Develop IT Disaster Recovery Plan	Dec-22	DCEO
Review IT Management Service Level Agreement	Jan-24	DCEO
Document IT Infrastructure Replacement Program	Dec-24	DCEO
Develop Secure Password Procedure	Completed	DCEO
Replacement of Phone System	Completed	DCEO
Document IT System Framework & Services	Dec-24	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
IT Replacement Program	Developed	Not rated	Constant
IT Disaster Recovery Plan	Developed	Not rated	Constant
Advanced Email Protection	Installed	Installed	Constant
IT System Access Framework	Developed	Not rated	Constant
Document Secure Password Procedure	Developed	Not rated	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Disruption / Financial	<b>Consequence:</b>	Major (4)
	<b>Likelihood:</b>	Likely (4)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
Stability and performance of information technology and communication systems

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; DCEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; DCEO	Yes	Yes	Yes	Yes		Due June 2021
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-21	Dec-22	Linked with IT Framework & Services
			Provision of Managed Information Services expires in 2024
Mar-20	Dec-20	Jun-22	Linked with IT Framework & Services
			Procedure implemented
Sep-21	Completed		VOIP system installed
Mar-21	Jun-21	Dec-22	Deferred until December 2023

KPI / Action Data			
2023	2022	2021	Comments
0	0	0	Rate annually in June
	Not rated	Completed	Rating based on completion
	Not rated	Not rated	Rating based on completion
Maintained	Maintained	Maintained	System remains in place
Not rated	Not rated	Not rated	Rating based on completion
Maintained	Maintained	Completed	Rating based on completion

Additional / Final Comments
Reviewed by Management Team - June 2023
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Misconduct

Jun-24

## Risk Context

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.

This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Inappropriate use of plant, equipment or machinery
- Inappropriate use of social media.
- Inappropriate behaviour at work.
- Purposeful sabotage

*This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays.*

## Objective:

Compliance with our Code of Conduct

## Potential causes include;

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Lack of internal checks	Low level of Supervisor or Management oversight
Covering up poor work performance	Believe they'll get away with it
Poor enforcement of policies and procedures	Undue influence from Manager / Councillor
Information leaked to Tenderers during the Tender process	Poor work culture
Insubordination	By-passing established administrative procedures
Disgruntled employees	Sharing of confidential information

Key Controls	Type	Last Reviewed	Rating
Delegations Register	Preventative	Feb-24	<b>Adequate</b>
Staff Recruitment Process (includes Police Clearance)	Preventative	Feb-19	<b>Adequate</b>
Staff Inductions	Preventative	Aug-20	<b>Adequate</b>
External Audits	Preventative	May-20	<b>Adequate</b>
Annual Drivers Licence Checks	Preventative	Feb-20	<b>Adequate</b>
Social Media Policy	Preventative	Jul-24	<b>Adequate</b>
Segregation of Duties (Financial)	Preventative	Jul-20	<b>Adequate</b>
Financial Management Policy	Preventative	May-20	<b>Adequate</b>
Financial Authorisation Policy	Preventative	May-20	<b>Adequate</b>
Delegation Control - Synergy	Preventative	Jul-20	<b>Adequate</b>
Financial Interests Returns Declarations	Preventative	Ongoing	<b>Adequate</b>
Primary and Annual Returns Process	Preventative	Aug-20	<b>Adequate</b>
Procurement Delegation Control - Synergy	Preventative	Ongoing	<b>Adequate</b>
Petty Cash Policy	Preventative	May-20	<b>Adequate</b>
Corporate Credit Card Policy	Preventative	Apr-21	<b>Adequate</b>
Delegated Authority for Procurement	Preventative	Jul-24	<b>Adequate</b>
Elected Member Training Plan	Preventative	Ongoing	<b>Adequate</b>
Audit & Risk Committee Terms of Reference	Preventative	Nov-19	<b>Adequate</b>
IT Security Access Register (Profiles & Passwords)	Preventative	90 Days	<b>Adequate</b>
Purchasing Policy & Procurement Process	Preventative	Jul-20	<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	Partial	
CEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	Policy updated June 24

Tender Procurement Process	Preventative	Unknown	<b>Adequate</b>
Financial Management Systems Review	Preventative	Sep-19	<b>Adequate</b>
Regulation 17 Review	Preventative	Dec-19	<b>Adequate</b>
Related Parties Disclosures Policy	Preventative	Jan-19	<b>Adequate</b>
Council Member Communication & Use of Social Media Policy	Preventative	Jul-24	<b>Adequate</b>
Code of Conduct	Preventative	Feb-21	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	Policy scheduled for review Aug 24
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Actions (Treatments)	Due Date	Responsibility
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO
Centralise Checklists, Controls and Procedures	Jun-24	CEO & DCEO
Review Fuel Stock Control and Process	Completed	DCEO
Present Regulation 17 Review to Audit & Risk Committee - Every 3 Years	Feb-26	CEO
Review Purchasing Policy & Procurement Process	Dec-24	DCEO
Review Social Media Policy 1.12	Completed	EGC
Review Code of Conduct (Councillor)	Jul-23	CEO & EGC
Prepare Credit Card Procedure	Completed	DCEO
Conduct Drivers Licence Check Annually	April Annually	CEO & DCEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Ongoing		Progressing
Dec-20	Jun-21	Jun-22	Underway as part of SharePoint review
May-20	Apr-21		Processed reviewed & procedures implemented for fuel & materials
			Completed February 2026; Next due February 2026
Mar-20	Apr-23	Jun-23	Scheduled to complete end June 2023; progressing
Oct-19	Completed		Reviewed July 24
			Review scheduled for July 2023
Sep-21	Completed		Credit Card authorisation forms and agreements in place
			Last checked April 23; Next check April 2024

Key Performance Indicators	Tolerance	Latest Result	Trend
Unqualified External Audits (# of Significant Findings)	0	Unqualified	Constant
Disregarding or Manipulating Procurement Process	Nil	Not rated	Constant
Breaches of Code of Conduct	Nil	1	Constant
Internal & External Complaints (Minor)	< 1 per quarter	0	Constant
Internal & External Complaints (Major)	0	0	Constant
Adherence to Internal Controls	Nil	Not rated	Constant

KPI / Action Data			
2023	2022	2021	Comments
	<i>Unqualified</i>	<i>Unqualified</i>	Rate annually in December
	0	35	Rate annually in December
	1	4	Rate annually in December
	0	0	Rate annually in December
	0	0	Rate annually in December
	<i>Unable to Rate</i>	<i>Unable to Rate</i>	Rate annually in December; Control to rate indicator yet to be identified

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b>	<i>Moderate (3)</i>
	<b>Likelihood:</b>	<i>Possible (3)</i>
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - June 2023
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Project / Change Management

Mar-24

**Risk Context**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

This includes:

- Inadequate change management framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Inadequate handover process

*This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"*

**Potential causes include;**

Lack of communication and consultation	Excessive growth (too many projects)
Lack of investment	Inadequate monitoring and review
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment / materials
External consultants underquoting on costs	Lack of project methodology knowledge and reporting requirements
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	

Key Controls	Type	Last Reviewed	Rating
Project Management Methodology and Framework	Preventative		<b>Not Rated</b>
Communication and Engagement Framework	Preventative		<b>Adequate</b>
Risk Management Framework	Detective	Oct-19	<b>Adequate</b>
Financial Management Framework	Preventative	Mar-17	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-23	DCEO
Review Communication and Engagement Framework	Aug-23	CEO & CDO

Key Performance Indicators	Tolerance	Latest Result	Trend
Minimisation of Project Variations	<90%	Not rated	
Achievement of Project Deadlines / Milestones	<90%	Not rated	
Community Engagement Framework Review (Every 2 Years)	Completed	Not rated	

**Residual Risk Rating**

Consequence Category	Risk Ratings	Rating
Financial / Reputational / Health	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
Adequate analysis, design, delivery and reporting of projects

**Control Assurance**

Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	No	No	No	No	Partial	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Oct-19	Dec-20	Dec-21	Project management templates in place; process yet to be documented
Mar-22			Due to review in August 2023

**KPI / Action Data**

2023	2022	2021	Comments
	Unable to Rate	Unable to Rate	Rate annually in December; Controls to rate indicator to be identified
	Unable to Rate	Unable to Rate	Rate annually in December; Controls to rate indicator to be identified
	Not Rated	Completed	Rate upon completion; Due August 2023

**Additional / Final Comments**

Reviewed by Management Team - June 2023

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.



## Safety and Security Practices Mar-24

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

Potential causes include;	
Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management
Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, contractors and/or tenants.	Inadequate organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc.).
Inadequate supervision, training or mentoring of staff	Slow or inadequate response to notifications from public

Key Controls	Type	Last Reviewed	Rating
Building Security Access Controls (Keys & Keypad Access)	Preventative	Sep-19	<b>Adequate</b>
OSH Management Framework	Preventative	May-17	<b>Adequate</b>
Human Resource Management Framework	Preventative	May-19	<b>Adequate</b>
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Managing Emergencies In Shire Facilities	Preventative	Dec-16	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Hazard Register	Annually	CEO & DCEO
Update Staff Training Register	Ongoing	CEO & DCEO
Conduct Quarterly Workplace Inspections	Quarterly	CEO
Safe Work Method Statements (SWMS) Library	Completed	CEO
Assess Shire Building and Facility Safety and Security	Nov-23	CEO
Develop Isolated Worker Management Procedure	Oct-22	CEO
Re-Establish WSH Committee & Conduct Bi-Monthly Meetings	Monthly	CEO
Review Managing Emergencies In Shire Facilities	Dec-23	CEO & DCEO
Conduct Annual BCP and LEMC Drills	Dec-23	CEO
Review Contractor Inductions and Register	Jun-22	CEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Reporting and Management of Incidents	100%	100%	Improving
Failed Safety Inspections	Nil	Nil	Constant
Lost Time Injuries Per Quarter	Nil		Constant
Near Misses Per Quarter	Nil	Nil	Improving
Workers Compensation Claims Per Quarter	Nil	1	Improving
Safety Audit Result % (Every Three Years)	95%	74%	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Health	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
Compliance with the Occupation Safety & Health Act, associated regulations and standards, and the ability to ensure the physical security requirements of staff, contractors and visitors.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	No	No	Partial	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Register updated as required
			Inspections schedule prepared
May-22	Jun-22		SMWS in place for all plant
			Completed November 2022; Next due November 2023
			Policy signed off; yet to prepare procedure
			Bi-Monthly meetings conducted
Dec-21	Jun-22	Mar-23	Deferred; Scheduled to complete December 2023; contractor engaged
			LEMC drill completed, next due 2023; BCP drill due Dec 2022, next due Dec 2023
			Review completed; contractor inductions conducted as required

KPI / Action Data			
2023	2022	2021	Comments
	Not Rated	Unable to Rate	Rated annually in December; Control to be identified to rate indicator
	Not Rated	Unable to Rate	Rated annually in December; Control to be identified to rate indicator
	Note Rated	Unable to Rate	Rated annually in December; Control to be identified to rate indicator
	0	4	Rated annually in December
	1	2	2 overall for 2021/22 (nil for quarter); Rated annually in December
	Not Rated	74%	Safety Audit completed May 2021

**Additional / Final Comments**  
Reviewed by Management Team - June 2023  
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Nil

# Supplier / Contract Management

Mar-24

Risk Context
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.
This also includes:
<ul style="list-style-type: none"> <li>• Concentration issues (contracts awarded to one supplier)</li> <li>• Vendor sustainability</li> </ul>

Potential causes include;	
Insufficient funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Suppliers not willing to provide quotes	Limited availability of suppliers
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining

Key Controls	Type	Last Reviewed	Rating
Annual Budget	Preventative	Mar-21	<b>Adequate</b>
Financial Management Framework	Preventative	Progressing	<b>Adequate</b>
Access to Independent Advice (WALGA/Lawyers) & Peer Review	Preventative	Ongoing	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Purchasing Policy	Dec-23	CEO & DCEO
Develop Standardised Contracts	Ongoing	CEO & DCEO
Document Financial Controls	Ongoing	DCEO
Develop Appropriate Financial Reporting Tools	Ongoing	DCEO
Develop Centralised Contract Management System	Ongoing	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Contracts Reviewed And Maintained	>90%	90%	Constant
Number of Expired Contracts Not Yet Renewed	<1 per quarter	1	<b>Worsening</b>

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Interruption / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
**Adequate management (including contractual arrangements) of external Suppliers, Contractors, IT Vendors or Consultants engaged for operations.**

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	Risk of fraud is minimal.
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Bi-Annual Review due September 2023
			Standardised MOUs; Service Level Agreements; Tenancy Agreements; Contracts
			Controls in place; constantly reviewing for improvement
			Continuous training to utilise all tools
			Investigating options whilst reviewing SharePoint

KPI / Action Data			
2023	2022	2021	Comments
	90%	90%	Rate annually in December
	2	1	Rate annually in December

Additional / Final Comments
Reviewed by Management Team - June 2023
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Measures of Consequence

RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
			(Social / Community)		(Plant, Equip, Buildings)			Time	Budget
Insignificant (1)	Near-Miss	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community trust.	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact	Less than \$5,000	Exceeds deadline by 5% of project	Exceeds project budget by 5%
Minor (2)	First Aid Treatment	Short term temporary interruption –	Substantiated, localised impact on community trust or	Some temporary non compliances	Localised damage rectified by	Contained, reversible impact	\$5,001 - \$50,000	Exceeds deadline by 10% of project	Exceeds project budget by 10%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption –	Substantiated, public embarrassment.	Short term non-compliance but with significant	Localised damage requiring	Contained, reversible impact	\$50,001 - \$200,000	Exceeds deadline by 15% of project	Exceeds project budget by 15%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional	Substantiated, public embarrassment.	Non-compliance results in termination of	Significant damage requiring	Uncontained, reversible impact	\$200,001 - \$500,000	Exceeds deadline by 20% of project	Exceeds project budget by 20%
Extreme (5)	Fatality, permanent disability	Indeterminate prolonged interruption of	Substantiated, public embarrassment.	Non-compliance results in litigation, criminal charges or	Extensive damage requiring	Uncontained, irreversible impact	More than \$500,000	Exceeds deadline by 25% of project	Exceeds project budget by 25%

Measures of Likelihood

Rating	Description	Frequency
Almost Certain (5)	The event is expected to occur in most circumstances	More than once per year
Likely (4)	The event will probably occur in most circumstances	At least once per year
Possible (3)	The event should occur at some time	At least once in 3 years
Unlikely (2)	The event could occur at some time	At least once in 10 years
Rare (1)	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix

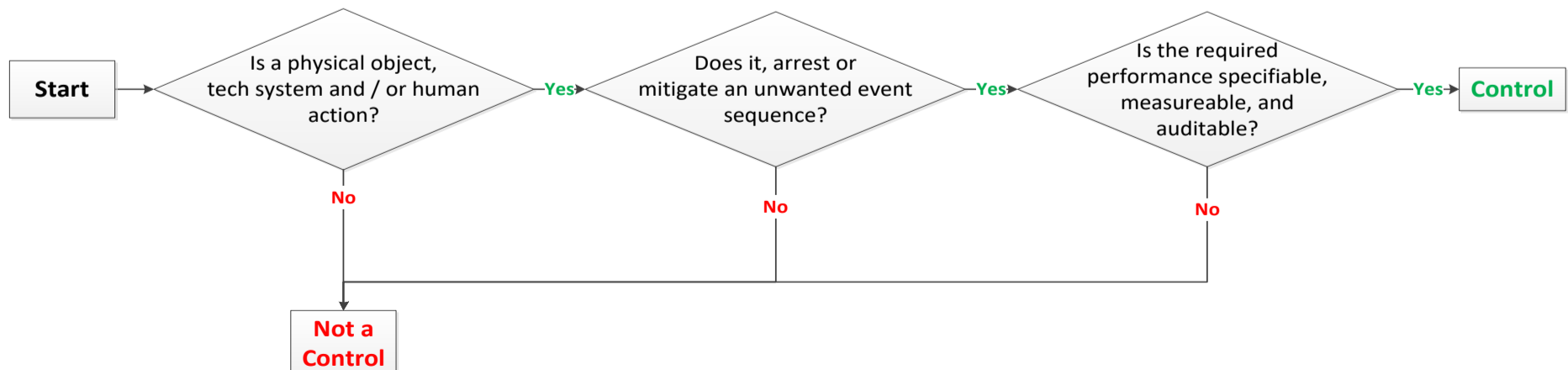
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	DCEO / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings

Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.



Lagging Indicator

Indicators relating to a result or outcome. Lag means the indicator will change after something happens. The indicator measures the results of an action. Looks back as to whether the intended result was achieved)

Leading Indicator

Indicators measures an input that leads to a result. Often related to something you can influence. How to produce desired results. Looks forward at future outcomes.

## Risk Register - Updated March 2024

Theme	Key Control	Rating	KPI	Comment
Asset Management Practices	Sewerage Maintenance Plan & Program	Indequate		Scheduled to complete December 2023
Asset Management Practices	KPI - Accidents/Damage to Property	7	<2 Per Quarter	Worsening
Engagement	Community Satisfaction Survey - Council leadership in the community		70%	Worsening
Engagement	Community Satisfaction Survey - How the community is consulted & informed about local		56%	Worsening
Environment Management	Sewerage Maintenance Plan & Program	Inadequate		Scheduled to complete December 2023
Environment Management	Waste Management Plan	Not Rated		Scheduled for December 2023
Management of Facilities/Venues/Events	Event Management Framework	Not Rated		Plan in place; overall framework to be completed
IT or Communication Systems & Infrastructure	IT Disaster Recovery Plan	Not Rated		
Project/Change Management	Project Management Methodology & Framework	Not Rated		Templates in place; procedures to be developed



Our Ref: 8298

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Robert Trepp  
President  
Shire of Dowerin  
PO Box 111  
DOWERIN WA 6461

**Mail to:** Perth BC  
PO Box 8489  
PERTH WA 6849

**Tel:** 08 6557 7500  
**Email:** [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Email: [crtrepp@dowerin.wa.gov.au](mailto:crtrepp@dowerin.wa.gov.au)

Dear Mr Trepp

**ANNUAL FINANCIAL REPORT  
INTERIM AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2024**

We have completed the interim audit for the year ending 30 June 2024. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to primarily evaluate your financial control environment, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

**Management control issues**

We would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the course of the interim audit. These matters have been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management.

An audit is not designed to identify all internal control deficiencies that may require management attention. It is possible that irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the CEO. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7542 if you would like to discuss these matters further.

Yours faithfully

Liang Wong  
Assistant Director  
Financial Audit  
26 June 2024

Attach

## SHIRE OF DOWERIN

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

## FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	Potential impact on audit opinion	RATING			Prior year finding
		Significant	Moderate	Minor	
1. Journal Entries	No		✓		✓
2. Key Account Reconciliations	No		✓		✓
3. Outdated Policies	No		✓		NA
4. Cancelled Receipts	No		✓		✓
5. Amendments to Supplier Masterfile	No		✓		✓
6. Purchasing Policy	No		✓		NA
7. Purchase Orders are Dated after Invoice Dates	No		✓		NA
8. Long outstanding Purchase Orders	No			✓	NA

**KEY TO RATINGS**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

**SHIRE OF DOWERIN**  
**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**  
**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**1. Journal Entries**

**Finding**

We were unable to ascertain if the approver of the journal entry was independent of the preparer in respect of 1 transaction out of a total of 14 samples tested due to inadequate documentation provided to us.

This finding was reported in 2023.

**Rating: Moderate**

**Implication**

In the absence of appropriate documentary evidence to indicate that the approver of the journal is independent of the preparer, it is difficult to establish the accuracy and the authenticity of the journal entry.

**Recommendation**

All general journals should be independently reviewed and authorised by an appropriate officer and evidence of preparation and review should be retained.

**Management Comment**

*All journals are reviewed. New filing procedures and formal evidencing of review will be implemented.*

**Responsible Person: ACEO**

**Completion Date: 30 June 2024**



**SHIRE OF DOWERIN**  
**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**  
**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**2. Key Account Reconciliations**

**Finding**

We performed a review of key accounts reconciliations during our interim audit and noted the following issues:

- Significant delays in preparing and reviewing monthly bank reconciliations during the first 7 months of the financial year.
- Monthly investment reconciliations were not dated by the preparer and there was no evidence of an independent review.
- Monthly creditor reconciliations have not been prepared during the financial year.
- Monthly payroll reconciliations have not been prepared since December 2023. The monthly reconciliations for the months of August to October 2023 were not properly reconciled and there was no evidence of an independent review and the November 2023 reconciliation was not reviewed.

This finding was reported in 2023.

**Rating: Moderate**

**Implication**

Frauds, errors or omissions may not be detected in a timely manner if the reconciliations are not prepared and reviewed by an officer independent of the preparer in a timely manner. This could also lead to misstatements in the financial statements.

**Recommendation**

The Shire should arrange for the above reconciliations to be prepared and reviewed by an independent officer. The review should be documented indicating date of review.

**Management Comment**

*Management has consciously made attempts to implement a new bank reconciliation module since July 23 for the improvement of our reconciliations. The implementation process had taken time due to migration and balancing issues. By the time the new module had been implemented without any more issues, there were a backlog of reconciliations that had to be uploaded into the new system. This module will also include the investment reconciliations that will be commencing in the 2024/25 year. The System is now implemented and functional.*

*The payroll and creditor reconciliations were being reconciled for each month up to December 2023 until staff turnover had impacted on the continuance due to no handover to the new officer in the role and the disruption of key management at the time. This now has been corrected.*

**Responsible Person: DCEO**  
**Completion Date: Completed**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**3. Outdated Policies**

**Finding**

We noted that the Shire's Investments Policy, Social Media and Staff Uniform Policies and Credit Card Policy have not been reviewed and updated since May 2020, April 2020 and April 2021 respectively.

**Rating: Moderate**

**Implication**

Lack of up-to-date policies may result in the management not making decisions that are in the best interest of the Shire and to comply with latest regulations and/or best practice.

**Recommendation**

The Shire should develop a policy on Policy Review frequency and update its policies periodically in order to ensure their currency and relevance.

**Management Comment**

*Policies are reviewed annually. All policies listed in this finding will be reviewed within the next 12 months.*

**Responsible Person: ACEO**

**Completion Date: 30 June 2025**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**4. Cancelled Receipts**

**Finding**

We noted that the Shire currently does not have a formal process to review and approve cancelled receipts by an officer independent of the receipting function.

This finding was reported in 2023.

**Rating: Moderate**

**Implication**

Errors and/or frauds in the receipting function may not be detected in the absence of a review by an independent officer.

**Recommendation**

The Shire should introduce a formal process for an officer independent of the receipting function to review cancelled receipts.

**Management Comment**

*Formal review of cancelled receipts to be implemented. Currently informal, as part of end of day process.*

**Responsible Person: DCEO**

**Completion Date: 31 July 2024**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**5. Amendments to Supplier Masterfile**

**Finding**

There was no evidence to demonstrate that amendments to Supplier Masterfile are reviewed by an officer independent of the officer making the amendments.

This finding was reported in 2023.

**Rating: Moderate**

**Implication**

In the absence of an independent review, there is an increased risk that unauthorised changes may be made resulting in errors or funds being inappropriately used.

**Recommendation**

The Shire should generate a report on amendments to Suppliers Masterfile from the system and perform an independent review of the changes to Suppliers Masterfile regularly and evidence of review should be retained.

**Management Comment**

*The Supplier Masterfile audit check were not being done as handover was not ever done to the new officer at the time and the disruption of key management at the time (July23 - February24). Management will ensure full awareness of End of Month processes are upskilled to the new officer. Bank account numbers on invoices are currently being checked to payment list and account numbers are being randomly check in aba file. Audit report of changes will be implemented to the EOM process.*

**Responsible Person: DCEO**

**Completion Date: 31 July 2024**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**6. Purchasing Policy**

**Finding**

The Shire's current purchasing policy permits purchases up to a value of \$20,000 based on either two verbal or written quotations from suitable suppliers except when purchasing from WALGA Preferred Supplier Agreement (PSA), Common User Agreement (CUA) or other quotation exempt agreement. As per management, verbal instructions have been given to the staff involved in procurement of goods and services to document the verbal quotations received and the basis of the selection of the successful supplier.

**Rating: Moderate**

**Implication**

In the absence of written instructions, staff may not carry out the instructions to follow the quotation requirements of the purchasing policy and thereby not obtaining value for money.

**Recommendation**

The Shire should formalise and document the management instructions on procedures in obtaining verbal quotations.

**Management Comment**

*Policy recently reviewed and staff training completed.*

**Responsible Person: DCEO**

**Completion Date: Completed**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**7. Purchase Orders dated after Invoice Dates**

**Finding**

During our sample testing of payments for purchases of goods and services, we identified 4 instances out of a sample of 23 payment transactions, where the authorised purchase orders were dated after the dates of the corresponding supplier invoices.

**Rating: Moderate**

**Implication**

There was no evidence that the ordering of goods/services had occurred after obtaining approval from an appropriate officer. Disputes may arise with suppliers if goods ordered verbally are not in agreement with the requirements of the Shire.

**Recommendation**

Purchase orders should be authorised for all applicable goods and services prior to placing orders.

**Management Comment**

*Management have discussed with relevant staff and provided additional training as a refresher.*

**Responsible Person: DCEO**

**Completion Date: Completed**

**SHIRE OF DOWERIN**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**8. Long Outstanding Purchase Orders**

**Finding**

Our review of outstanding purchase orders revealed a few purchase orders outstanding for more than a year. Our discussions with the management revealed that while some purchase orders were still valid, other outstanding purchase orders may have either been completed or not required and may require to be purged from the system.

**Rating: Minor**

**Implication**

Errors and frauds may occur if completed or unwanted open purchase orders are allowed to remain in the system.

**Recommendation**

Management should review the outstanding purchase orders periodically and purge unwanted and fulfilled purchase orders from the system.

**Management Comment**

*Outstanding orders are being reviewed quarterly.*

**Responsible Person: DCEO**

**Completion Date: Completed**