SHIRE OF ASHBURTON
AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

AGENDA AND ATTACHMENTS
(Public Document)

**Council Chambers, Onslow Shire Complex,
Second Avenue, Onslow
8 September 2020
9.30 am**

SHIRE OF ASHBURTON

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

Dear Councillor

Notice is hereby given that an Audit and Risk Management Committee of the Shire of Ashburton will be held on 8 September 2020 at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow commencing at 9.30 am.

The business to be transacted is shown in the Agenda.

Mr Kenn Donohoe
CHIEF EXECUTIVE OFFICER

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by the Committee and endorsement by the Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

PUBLIC AGENDA - AUDIT AND RISK MANAGEMENT COMMITTEE MEETING
8 SEPTEMBER 2020

1.   DECLARATION OF OPENING

The Presiding Member declared the meeting open at _____ am.

1.1   ACKNOWLEDGEMENT OF COUNTRY

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past, present and emerging.

2.   ATTENDANCE

2.1   PRESENT

Members:	Cr P Foster	Tom Price Ward (Presiding Member)
	Cr K White	Onslow Ward
	Cr L Rumble	Paraburdoo Ward
	Cr M Lynch	Tom Price Ward
	Cr D Diver	Tom Price Ward
	Cr R de Pledge	Ashburton Ward
	Cr J Richardson	Tablelands Ward
	Cr M Gallanagh	Pannawonica Ward
	Cr D Dias	Paraburdoo Ward
Staff:	Mr K Donohoe	Chief Executive Officer
	Mr J Bingham	Director Corporate Services
	Mrs C McGurk	Acting Director Development Services
	Mrs K Bartley	Director Community Services
	Mr M Hudson	Director Infrastructure
	Mrs M Lewis	Council Liaison Officer
Guests:		
Members of Public:	There were _____ members of the public in attendance at the commencement of the meeting.	
Members of Media:	There were _____ members of the media in attendance at the commencement of the meeting.	

2.2   APOLOGIES

2.3   APPROVED LEAVE OF ABSENCE

3.   ANNOUNCEMENT OF VISITORS

4. DECLARATION BY MEMBERS

4.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

All Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

4.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

(a) In a written notice given to the Chief Executive Officer before the Meeting or;

(b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

(a) Preside at the part of the Meeting, relating to the matter or;

(b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995.*

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.

2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc.), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.

3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.

4.   If in doubt declare.

5.   As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.

6.   Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:

6.1   Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or

6.2   Where the Minister allows the Councillor to participate under s.5.69 (3) of the *Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
There are no Declarations of Interest for this meeting.		

5.   CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1   AUDIT AND RISK COMMITTEE MEETING HELD ON 9 JUNE 2020

Officers Recommendation
That the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 9 June 2020 (**ATTACHMENT 5.1**) be confirmed as a true and accurate record.

6.   TERMS OF REFERENCE

Audit and Risk Management Committee

Purpose
The Audit Committee's role in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1995* is to provide assistance and guidance to Council on the discharge of its duties under Part 6 and 7 of the *Local Government Act 1995 (the Act).* The Audit Committee assists Council to monitor the integrity of the Shire's financial statements, risk management, internal controls and compliance with legislative requirements.

Responsibilities

The Audit Committee is responsible for:

1.1   Guiding and assisting Council in carrying out its functions under:
(a) Part 6 of the *Act* and its functions relating to other audits and other matters related to financial management; and
(b) Part 7 of the *Act* in relating to auditing the Shire's financial accounts.
1.2   Reviewing the CEO's report required under regulation 17(3).
1.3   Monitoring and advising the CEO when the CEO is carrying out functions in relation to a review under:
(a) regulation 17 (1); and
(b) the *Local Government (Financial Management) Regulations 1996*, regulation 5(2)(c).
1.4   Support the Auditor conducting an audit and carrying out the Auditor's other duties under the *Act*.
1.5   Oversee the implementation of any action that Council
(a) is required to take, has stated it has taken or intends to take in respect to matters raised by the audit report;
(b) has accepted should be taken on receipt of the CEO's report of a review under regulation 17(1); and
(c) has accepted should be taken on receipt of the CEO's report under regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.
1.6   The Audit Committee's duties include;
(a) considering the Auditor's interim audit of the Shire's accounting and internal control procedures for the financial year;
(b) reviewing the audited financial report for the previous financial year;
(c) reviewing the interim and final audit reports for the financial year;
(d) reviewing the annual Compliance Audit Return;
(e) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's systems and procedures regarding risk management, internal controls and legislative compliance;
(f) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's financial management systems and procedures; and
(g) considering the proposed timeline for Council to adopt the budget and the ten-year financial plan for the following financial year; and providing a report to council on those matters.

7. AGENDA ITEMS

7.1 INTERNAL AUDIT FUNCTION

FILE REFERENCE:	GRO1
AUTHOR'S NAME AND POSITION:	John Bingham Director Corporate Services
AUTHORISING OFFICER AND POSITION:	Kenn Donohoe Chief Executive Officer
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	20 August 2020
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Not Applicable

Summary
The purpose of this report is to inform Council of a proposal for the provision of Internal Audit Services.

Background
The Shire is seeking to improve the effectiveness of its risk management, governance and control processes.

Comment
It is intended an internal audit be performed for the year ended 30 June 2021 with a focus on the following areas:

- Prepare a three year internal audit plan including working with the Audit and Risk Management Committee to develop priorities for the next three years.

- Internal audit to be performed on the following focus areas:

  o Identified matters in the 2019 Financial Management Review;
  o Procurement systems and controls;
  o Risk management practices;
  o Grants applications, payments and acquittals; and
  o Records management compliance with regulations and systems review.

Relevant internal audit reports will be made available to the Audit and Risk Management Committee including audit findings, risk ratings, recommendations, opportunities for improvement, root cause analysis and the status of previous internal audit findings.

Consultation
Executive Leadership Team
Moore Australia

Statutory Environment
Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly and report to the local government the result of those reviews.

Internal Auditor reports functionally to the Audit and Risk Committee and administratively to the CEO. In accordance with section 5.41 of the *Local Government Act 1995,* the CEO is responsible for the day to day management of council activities which implicitly includes the internal audit function.

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to conduct bi-annual reviews of the appropriateness and effectiveness of a Local Governments systems and procedures in relation to risk management, legislative compliance and internal control. Internal audit is an essential function in meeting the requirements of this regulation.

Financial Implications
An estimated cost for a three year scope of work is $77k plus GST based on experience of other local governments. Annual Corporate Services budgets are adequately provisioned for this engagement.

Strategic Implications
There are no known strategic implications for this matter.

Risk Management
Risk has been assessed on the basis of the Officers Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Adequate Internal Controls, risk management and legislative compliance not in place	Possible(3)	Moderate (3)	Moderate (9)	Governance	Internal Audit Plan 2020-2023 with regular updates to the Audit and Risk

The following Risk Matrix has been applied.

Risk Matrix						
Consequence		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Likelihood		**1**	**2**	**3**	**4**	**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)**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Moderate" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications
There are no known policy implications for this matter.

Voting Requirement
Simple Majority Required

Officers Recommendation
That with respect to the proposal for Internal Audit Services acknowledge the role of the Audit and Risk Management Committee in preparing a three year internal audit plan and acknowledge the Chief Executive Officer is undertaking a spot audit on the following areas:

- Identified matters in the 2019 Financial Management Review;
- Procurement systems and controls;
- Risk management practices;
- Grants applications, payments and acquittals; and
- Records management compliance with regulations and systems review.

7.2   ICT AND DIGITAL STRATEGY 2020-23

FILE REFERENCE:	ITO1
AUTHOR'S NAME AND POSITION:	John Bingham Director Corporate Services
AUTHORISING OFFICER AND POSITION:	Kenn Donohoe Chief Executive Officer
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	25 August 2020
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Not Applicable

Summary
The purpose of this report is to inform the Audit and Risk Management Committee of the updated ICT and Digital Strategy 2020-23 and ICT Action Plan for 2020-21.

Background
In June 2018 the Shire developed an ICT Strategy describing how it can align its investment with its business objectives while ensuring its community expectations are met. Its aim was to drive improved customer service (internal and external) by delivering ICT services that increase efficiencies while maximising effectiveness and minimising costs. Overall the document was baseline in its development and application and a more comprehensive plan was always forecast in the not too distant future.

Comment
The purpose of the updated ICT Strategy is to facilitate the objectives within the Strategic Corporate Plan (SCP) by following the Department's ICT Strategic Framework.

These include the following SCP goals:

• Vibrant and Active Communities
• Economic Prosperity
• Unique Heritage and Environment
• Quality Services and Infrastructure
• Inspiring Governance

And Departments ICT Strategic Framework strategic key components:

• Governance – guiding strategies, principles and practices.
• Emerging Trends and Technologies – maximising value from ICT investment.
• Business Systems and Applications – enhanced service delivery.
• Infrastructure and Technology – hardware and network.
• IT Business Continuity – performance in all circumstances.

- Security – protecting data, information, systems from unauthorised access.
- Project Management – planning, organising, controlling, and managing resources.

These strategies represent the key elements, and their relationships, that might be expected in an 'ideal' operating environment. The goal moving forward therefore is integration, efficiency and innovation to improve engagement with Council and Community, reduce staff workloads and comply with legislative requirements.

The ICT and Digital Strategy 2020-23 as well as Action Plan for 2020-21 is attached.

ATTACHMENT 7.2

Consultation
Executive Leadership Team
ICT Specialist - West
ICT Administrator
Fourier Technologies

Statutory Environment
Local Government Act 1995
Section 5.56 Planning for the Future
(1) A local government is to plan for the future of the district.

(2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Financial Implications
Investments made into ICT will be used to populate the Shire's ICT Asset Management Plan and Long Term Financial Plan.

Strategic Implications
There are no known strategic implications for this matter.

Risk Management
Risk has been assessed on the basis of the Officers Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Council not receive strategy.	Low(1)	Minor(2)	Low(2)	Governance	Receive the strategy.

The following Risk Matrix has been applied.

Risk Matrix						
Consequence **Likelihood**		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
		1	**2**	**3**	**4**	**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)**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Moderate" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications
There are no known policy implications for this matter.

Voting Requirement
Simple Majority Required

Officers Recommendation
That with respect to the ICT and Digital Strategy 2020-23, the Audit and Risk Management Committee recommend Council receive the report for the ICT and Digital Strategy 2020-23 (**ATTACHMENT 7.2**) as an informing strategy of the Shire's Integrated Planning and Reporting Framework.

7.3   REGULATION 17 REVIEW

FILE REFERENCE:	GV04
AUTHOR'S NAME AND POSITION:	Danielle Hurstfield Manager Governance
AUTHORISING OFFICER AND POSITION:	John Bingham Director Corporate Services
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	26 August 2020
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Agenda Item 7.1 (Minute No. 97) Ordinary Meeting of Council 17 January 2017

Summary
This report sets out the findings of the Chief Executive Officer's review of systems and procedures relating to legislative compliance, risk management and internal controls as required by Regulation 17 of the *Local Government (Audit) Regulations.*

Background
Regulation 16(c) of the *Local Government (Audit) Regulations 1996* states the Audit and Risk Management Committee (ARMC) is to review a report given to it by the Chief Executive Officer (CEO) under Regulation 17 (3) of the *Local Government (Audit) Regulations 1996.*

That regulation states the CEO is to review the appropriateness and effectiveness of the local governments systems and procedures in relation to risk management, internal control and legislative compliance.

The ARMC is also required to report to Council the results of that review and give a copy of the CEO's report to the Council. This is to be done on a triennial basis. The last Review of risk management, internal controls and legislative compliance was presented on 17 January 2017.

Comment
The attached report (**ATTACHMENT 7.3**) from AMD Chartered Accountants (AMD) is referred to the ARMC and contains "improvement opportunities" for the Shire.

Risk Management
Two issues were identified as significant in the area of risk management:

Risk management	
Risk Register	
2.3.1 The Shire's risk register was last updated in April 2019, however has not subsequently been reviewed or updated.	**Significant**
Tendering	
2.3.2 No formal risk assessment process conducted prior to tendering, no formal post tender/ project reviews; and tender opening of submission for RFT 06.19 was only undertaken by one person, as opposed to Shire guideline requiring two people.	**Significant**

Management comments are as follows:

2.3.1 - Review of Shire's risk register to be undertaken and presented at the 15 December 2020 Audit and Risk Management Committee meeting with quarterly updates to follow. Also the recent organisation restructure has created an organisational risk officer position to specifically review this risk management area. Lastly ongoing education and training with officers will implement standardised documentation and ensure updated registers are maintained.

2.3.2 - A formal risk assessment is usually undertaken by the project officer. The newly created Project Control Group has now introduced business cases as a requirement when projects are submitted for budget consideration. These business cases incorporate risk assessments for tendering purposes.

Further to this the business cases can be developed to incorporate a post tender / project review.
A review of Shire documentation indicates RFT 06.19 did in fact have two persons present at the tender opening – this finding is disputed. Lastly ongoing education and training with Shire officers will seek to implement standardised documentation and ensure processes are maintained as required.

Internal Control
One issue was identified as significant in the area of internal control:

Internal controls	
3.3.1 **Non-compliance with Local Government Act** October and December 2019 Monthly Statements of Financial Activity were not presented to Council.	**Significant**

Management comment is as follows:

The Shire acknowledges that the October Statement of Financial Activity was omitted from the report that was presented to December 2019. It should have been presented with the November report and as such was an oversight.

Given that Council Meetings occur relatively early in the month, the Shire has acknowledged that it is not possible to finalise the monthly Statement of Financial Activity in time for the agenda close. Therefore it is now presenting each monthly statement to the Council Meeting 60 days in arrears (i.e. February report presented to April meeting, March report to May meeting etc.)

Legislative Compliance
There were no critical (i.e. legislative compliance) issues raised in the review.

Limitations of Scope
The review identified a number of areas not assessed by AMD due to information not being provided by the Shire by the due date of 31 July 2020. Officers recommend policy development being undertaken where required as well as the proposed upcoming internal audit include in its scope of work these limitation areas.

Consultation
Executive Leadership Team
Manager Governance

Statutory Environment
Local Government (Audit) Regulations 1996

16.   *Functions of audit committee*
      An audit committee has the following functions —
      (a)   to guide and assist the local government in carrying out —
             (i) its functions under Part 6 of the Act; and
             (ii) its functions relating to other audits and other matters related to financial management;
      (b)   to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
      (c)   to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to
             (i) report to the council the results of that review; and
             (ii) give a copy of the CEO's report to the council;
      (d)   to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
             (i) regulation 17(1); and
             (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);

17.   *CEO to review certain systems and procedures*
      (1)   The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
             (a) risk management; and
             (b) internal control; and
             (c) legislative compliance.
      (2)   The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
      (3)   The CEO is to report to the audit committee the results of that review.

Financial Implications
The review was undertaken at a cost of $9,900 (ex GST). Improvement costs will be absorbed via existing budget provisions.

Strategic Implications
Shire of Ashburton 10 Year Strategic Community Plan 2017-2027 (Desktop Review 2019)

Goal 05   Inspiring Governance
Objective 4   Exemplary team and work environment

Risk Management
Risk has been assessed on the basis of the Officers Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Compliance Failure to address areas for improvement identified in the Regulation 17 report	Possible (3)	Minor (2)	Moderate (6)	Some temporary non compliances	Adopt Officer recommendation.

The following Risk Matrix has been applied.

Risk Matrix					
Consequence **Likelihood**	**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
	1	**2**	**3**	**4**	**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)**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be Moderate. A plan will be developed and regular monitoring and reporting will be undertaken with quarterly reporting to the Audit and Risk Committee.

Policy Implications
Various policies may need to be amended to support implementation of improvements as a result of this review. This will take place over the coming months though the policy review process.

Voting Requirement
Simple Majority Required

Officers Recommendation

That with respect to the Regulation 17 Review, the Audit and Risk Management Committee recommends Council:

1. Note the Regulation 17 Risk Audit **ATTACHMENT 7.3** and its suggested improvements / opportunities;

2. Note that a further report will be provided to the Audit and Risk Management Committee for its consideration, outlining recommended positions on those improvement opportunities offered in the Internal Audit; and

3. Request a review of the Risk Register is to be presented to the 15 December 2020 Audit and Risk Management Committee.

7.4 AWARD OF RFQ 20.20 LEGAL SERVICES - WITTENOOM CLAIMS

FILE REFERENCE:	CMQ20.20
AUTHOR'S NAME AND POSITION:	Janyce Smith Senior Administration Officer
AUTHORISING OFFICER AND POSITION:	John Bingham Direction Corporate Services
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	28 August 2020
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Not Applicable

Summary

A request for Quote (RFQ) 20.20 Legal Services – Wittenoom Claim was issued via the WALGA eQuotes on the 13 August 2020 to 28 August 2020.

Quotes were sought from three legal firms on WALGA Panel C046-17 – Legal and Debt Management Services with only one response received. The evaluation panel has now completed its assessment of the submission and makes their recommendation.

Due to the value of the request for quote, Delegation DA06-1 was not utilised by the Chief Executive Officer.

Background

The Shire has, for many years, been exposed to financial risk of litigation as a result of asbestos mining in Wittenoom. New claims continue to be made against the Shire at regular intervals and these are expected to continue into the future, at an unknown rate.

Civic Legal Pty Ltd was awarded a contract under Request for Quotation CMQ 36.18. On the 13 August 2020 the Shire exercised the final 12 month extension to the contract. The Scope of Services for this extension is the provision of legal services for all current and closed Wittenoom claims in which they have provided legal services. As of 25 August 2020 Civic Legal provide legal services to six claims.

With claims expected to continue, the Shire seeks to establish a suitable and qualified firm for an ongoing period and has undertaken a new Request for Quotation process for legal services relating to new Wittenoom claims.

The Shire invited suitably experienced and qualified organisations to quote on providing professional services of legal representation for all future Wittenoom related claims against the Shire of Ashburton. The Shire seeks to engage the consultant for a period of one year with the option of a further one year plus one year (potentially three years in total) at the sole discretion of the Shire.

The WALGA eQuotes suppliers panel was utilised and have been pre-qualified and appointed by WALGA to supply the goods or services to Local Governments.

The advertised selection criteria were:

Criteria		Weighting
(a)	Relevant Experience	40%
(b)	Capacity & Personnel	20%
(e)	Price	40%

The Evaluation and Recommendation Report, including the schedule of rates, overall evaluation scores and rankings, and is attached as a confidential item.

CONFIDENTIAL ATTACHMENT 7.4
(TO BE PROVIDED UNDER SEPARATE COVER)

Comment
The submission have been assessed with the below scores and rankings. Complete details of the assessment are provided in **CONFIDENTIAL ATTACHMENT 7.4.**

Rank	Tenderer	Score (/100)
1	Castledine Gregory	To be advised under separate cover

Consultation
Executive Leadership Group
Manager Governance
Acting Senior Procurement Officer

Statutory Environment
Local Government Act 1995
3.57.   Tenders for providing goods or services
*   (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
*   (2) Regulations may make provision about tenders.*

Local Government (Functions and General) Regulation 1996 Pt.2 Div.2
Division 2 — Tenders for providing goods or services (s. 3.57)
*   11.When tenders have to be publicly invited*
*   (1) Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than $250 000 unless subregulation (2) states otherwise.*

Wittenoom Asbestos Claims are the subject to Australian Common Law and the procedures of the Western Australian Supreme Court.

Financial Implications
The budgeted provision for legal expenses for Wittenoom is $1,350,000 in the 2020/21 budget, which includes money allocated for legal service on current claims, budget allocation for legal services for future claims, and the Shire's contribution to these claims.

Litigation generated by asbestos related, Wittenoom damages claims has cost the Shire a significant amount of money. These claims will continue to have a serious, but unknown impact on the Shire's financial resources well into the future.

On many occasions asbestos related diseases do not show up for 40 to 50 years and so although the mine closed in late 1966, claims continue to come before the court. Furthermore, because ready public access is still available to the contaminated areas, claims are expected to continue for many years to come.

Strategic Implications
Shire of Ashburton 10 Year Strategic Community Plan 2017-2027 (Desktop Review 2019)

Goal 05   Inspiring Governance
Objective 4   Quality public infrastructure

Risk Management
Risk has been assessed on the basis of the Officers Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Financial Impact	Almost Certain (5)	Moderate (3)	High (15)	$100,001 to $1,000,000	Quarterly reporting to the Audit & Risk Committee.

The following Risk Matrix has been applied.

Risk Matrix						
Consequence **Likelihood**		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
		1	**2**	**3**	**4**	**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)**

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Moderate to High" risk due to the financial implications and will be managed by specific monitoring and consistently reviewed.

Policy Implications
FIN12 Purchasing and Tender Policy

Voting Requirement
Absolute Majority Required

Officers Recommendation

That with respect to the Award of RFQ 20.20 Legal Services – Wittenoom Claims, the Audit and Risk Management Committee recommend Council:

1. Resolve that Report **CONFIDENTIAL ATTACHMENT 7.4 (**to be provided under separate cover**)** is confidential in accordance with s5.23 (2) of the *Local Government Act 1995* because it deals with matters affecting s5.23 (2)(c);

    "A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."

2. Note the attached Evaluation Report, **CONFIDENTIAL ATTACHMENT 7.4** (to be provided under separate cover);

3. Award the contract for RFQ 20.20 to Castledine Gregory at the schedule of rates provided for an initial period of one year with option of a further one year plus one year (potentially three years in total);

4. Authorise the Chief Executive Officer to enter into a contract with Castledine Gregory; and

5. Authorise the Chief Executive Officer to manage the Contract, including the provision of possible extensions as outlined in RFQ 20.20 at the discretion of the Shire.

8.   CONFIDENTIAL MATTERS

Under the Local Government Act 1995, Part 5, and Section 5.23, states in part:

(2)   If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —

(a)   a matter affecting an employee or employees; and

(b)   the personal affairs of any person; and

(c)   a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;

(d)   legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and

(e)   a matter that if disclosed, would reveal —

(i)   a trade secret; or

(ii) information that has a commercial value to a person; or

(iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and

(f)   a matter that if disclosed, could be reasonably expected to —

(i) impair the effectiveness of any lawful method or procedure for preventing,

detecting, investigating or dealing with any contravention or possible contravention of the law; or

(ii) endanger the security of the local government's property; or

(iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;

(g)   information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and

(h)   such other matters as may be prescribed.

8.1 **CONFIDENTIAL ITEM - UPDATE ON WITTENOOM LITIGATION, USE OF DELEGATION, WITTENOOM STEERING COMMITTEE, SENIOR COUNSEL LEGAL BRIEF AND ADVICE AND ROEBOURNE - WITTENOOM ROAD**

FILE REFERENCE:	LS34
AUTHOR'S NAME AND POSITION:	Keith Pearson Special Projects Advisor Janyce Smith Senior Administration Officer Mike Hudson Director Infrastructure Services
AUTHORISING OFFICER AND POSITION:	John Bingham Director Corporate Services
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	24 August 2020
DISCLOSURE OF FINANCIAL INTEREST:	The authors and the authorising officer have no financial proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Confidential Agenda Item 8.1 (Minute No. 81/2020) Audit and Risk Committee Meeting 9 June 2020

REASON FOR CONFIDENTIALITY

The Director Corporate Services Report is confidential in accordance with *s5.23 (2) the Local Government Act 1995* because it deals with matters affecting s5.23 (2):

(b)   the personal affairs of any person;
(d)   legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting.

Officers Recommendation

That with respect to the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Legal Advice and Roebourne - Wittenoom Road, the Audit and Risk Management Committee recommend Council:

1.   Receive the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Brief and Advice and Roebourne - Wittenoom Road **(CONFIDENTIAL ATTACHMENT 8.1)** and remain confidential in accordance s5.23 (2)(b) & (d) of the *Local Government Act 1995;* and

2.   Ensure that the Shire management continue to provide Wittenoom related reports to the Audit and Risk Management Committee.

9.   NEXT MEETING

The next Audit and Risk Committee Meeting will be held on Tuesday 15 December 2020 at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow at a time to be advised.

10.   CLOSURE OF MEETING

The Presiding Member closed the meeting at _____ am.

SHIRE OF ASHBURTON
AUDIT AND RISK MANAGEMENT
COMMITTEE MEETING

MINUTES
(Public Document)

Ashburton Hall, Ashburton Avenue, Paraburdoo
9 June 2020
9.30 am

SHIRE OF ASHBURTON

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.

Mr K Donohoe
CHIEF EXECUTIVE OFFICER   Date: 09.06 2020

These minutes were confirmed by Council as a true and correct record of proceedings of the Ordinary Meeting of Council on the 09.06 2020.

Presiding Member: _____   Date: _____

DISCLAIMER

The resolutions contained in the Minutes are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 9.39 am.

1.1 ACKNOWLEDGEMENT OF COUNTRY

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past, present and future.

2. ATTENDANCE

2.1 PRESENT

Members:	Cr P Foster	Tom Price Ward (Presiding Member)
	Cr K White	Onslow Ward
	Cr L Rumble	Paraburdoo Ward
	Cr M Lynch	Tom Price Ward
	Cr D Diver	Tom Price Ward
	Cr R de Pledge	Ashburton Ward
	Cr J Richardson	Tablelands Ward
Staff:	Mr K Donohoe	Chief Executive Officer
	Mr J Bingham	Director Corporate Services
	Ms C Bryce	Acting Director Property and Development Services
	Mrs K Bartley	Director Community Services
	Mr M Hudson	Director Infrastructure
	Mrs M Lewis	Council Liaison Officer
Guests:	Nil	
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	
Members of Media:	There were no members of the media in attendance at the commencement of the meeting.	

2.2 APOLOGIES

Cr D Dias   Paraburdoo Ward

2.3 APPROVED LEAVE OF ABSENCE

Cr M Gallanagh   Pannawonica Ward

3. ANNOUNCEMENT OF VISITORS

There were no visitors for this meeting.

4. DECLARATION BY MEMBERS

4.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

All Councillors noted that they had given due consideration to all matters contained in the Agenda presently before the meeting.

4.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

(a) In a written notice given to the Chief Executive Officer before the Meeting or;

(b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

(a) Preside at the part of the Meeting, relating to the matter or;

(b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995.*

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.

2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc.), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.

3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.

4.   If in doubt declare.

5.   As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.

6.   Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:

6.1   Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or

6.2   Where the Minister allows the Councillor to participate under s.5.69 (3) of the *Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
There were no Declaration of Interests provided.		

5.   CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1   AUDIT AND RISK COMMITTEE MEETING HELD ON 10 MARCH 2020

Council Decision

MOVED: Cr D Diver   **SECONDED: Cr M Lynch**

That the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 10 March 2020 (ATTACHMENT 5.1) be confirmed as a true and accurate record.

CARRIED 7/0

6.   TERMS OF REFERENCE

Audit and Risk Management Committee

Purpose
The Audit Committee's role in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1995* is to provide assistance and guidance to Council on the discharge of its duties under Part 6 and 7 of the *Local Government Act 1995 (the Act).* The Audit Committee assists Council to monitor the integrity of the Shire's financial statements, risk management, internal controls and compliance with legislative requirements.

Responsibilities

The Audit Committee is responsible for:

1.1   Guiding and assisting Council in carrying out its functions under:

(a) Part 6 of the Act and its functions relating to other audits and other matters related to financial management; and

(b) Part 7 of the Act in relating to auditing the Shire's financial accounts.

1.2 Reviewing the CEO's report required under regulation 17(3).

1.3 Monitoring and advising the CEO when the CEO is carrying out functions in relation to a review under:

(a) regulation 17 (1); and

(b) the *Local Government (Financial Management) Regulations 1996*, regulation 5(2)(c).

1.4 Support the Auditor conducting an audit and carrying out the Auditor's other duties under the Act.

1.5 Oversee the implementation of any action that Council

(a) is required to take, has stated it has taken or intends to take in respect to matters raised by the audit report;

(b) has accepted should be taken on receipt of the CEO's report of a review under regulation 17(1); and

(c) has accepted should be taken on receipt of the CEO's report under regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

1.6 The Audit Committee's duties include;

(a) considering the Auditor's interim audit of the Shire's accounting and internal control procedures for the financial year;

(b) reviewing the audited financial report for the previous financial year;

(c) reviewing the interim and final audit reports for the financial year;

(d) reviewing the annual Compliance Audit Return;

(e) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's systems and procedures regarding risk management, internal controls and legislative compliance;

(f) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's financial management systems and procedures; and

(g) considering the proposed timeline for Council to adopt the budget and the ten-year financial plan for the following financial year; and providing a report to council on those matters.

7. AGENDA ITEMS

7.1 NATIONAL REDRESS SCHEME (PARTICIPATIONS OF WA LOCAL GOVERNMENTS)

MINUTE: 80/2020

FILE REFERENCE:	GRO1
AUTHOR'S NAME AND POSITION:	Kellie Bartley Director Community Services
AUTHORISING OFFICER AND POSITION:	Kenn Donohoe Chief Executive Officer
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	22 May 2020
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal
PREVIOUS MEETING REFERENCE:	Agenda Item 7.5 (Minute No. 577/2019) – Ordinary Meeting of Council 18 June 2019

Summary

The purpose of this report is for Council to consider the background information and the Western Australian Government's decision in relation to the National Redress Scheme. Noting the key considerations and administrative arrangements for the Shire of Ashburton and consider the Shire's participation as part of the WA Government's declarations in the National Redress Scheme.

Background

The Royal Commission into Institutional Responses to Child Sexual Abuse (Royal Commission) was established in 2013 to investigate failures of public and private institutions to protect children from sexual abuse. The Royal Commission released three reports throughout the inquiry:

- Working with Children Checks (August 2015);
- Redress and Civil Litigation (September 2015); and
- Criminal Justice (August 2017).

The Royal Commission's Final Report (15 December 2017) incorporated findings and recommendations of the three previous reports and contained a total of 409 recommendations, of which 310 are applicable to the Western Australian Government and the broader WA community.

The implications of the Royal Commission's recommendations are twofold: the first is accountability for historical breaches in the duty of care that occurred before 1 July 2018 within any institution; the second is future-facing, ensuring better child safe approaches are implemented holistically moving forward.

The scope of this report addresses only the historical element of institutional child sexual abuse through the National Redress Scheme.

All levels of Australian society (including the WA local government sector and the Shire of Ashburton) will be required to consider leading practice approaches to child safeguarding separately in the future.

The Shire may consider a Child Safe Policy that would include the National Principles for Child Safe Organisations that assists arts, cultural, community, sport and recreation organisations to reflect upon our current child safe practices against the National Principles for Child Safe Organisations and to identify areas for improvement, to act and make positive change.

National Redress Scheme

The Royal Commission's *Redress and Civil Litigation (September 2015)* Report recommended the establishment of a single National Redress Scheme (the Scheme) to recognise the harm suffered by survivors of institutional child sexual abuse.

The Scheme acknowledges that children were sexually abused, recognises the suffering endured, holds institutions accountable and helps those who have been abused access counselling, psychological services, an apology and a redress payment.

The Scheme commenced on 1 July 2018, will run for 10 years and offers eligible applicants three elements of Redress:

- A direct personal response (apology) from the responsible institution, if requested;
- Funds to access counselling and psychological care; and
- A monetary payment of up to $150,000.

All State and Territory Governments and many major non-government organisations and church groups have joined the Scheme and the State started participating from 1 January 2019.

The WA Parliament has passed the legislation for the Government and WA based non-government organisations to participate in the National Redress Scheme.

Under the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth), local governments may be considered a State Government institution.

A decision was made at the time of joining the Scheme to exclude WA local governments from the State Government's participation declaration. This was to allow consultation to occur with the sector about the Scheme, and for fuller consideration of how the WA local government sector could best participate.

ATTACHMENT 7.1

Comment

Following extensive consultation, the State Government (December 2019):

- Noted the consultations undertaken to date with the WA local government sector about the National Redress Scheme;
- Noted the options for WA local government participation in the Scheme;
- Agreed to local governments participating in the Scheme as State Government institutions, with the State Government covering payments to the survivor; and
- Agrees to the Department of Local Government, Sport and Cultural Industries (DLGSC) leading further negotiations with the WA local government sector regarding local government funding costs, other than payments to the survivor including counselling, legal and administrative costs.

The following will be covered for local governments participating in the Scheme as a State Government institution and part of the State's declaration:

- Redress monetary payment provided to the survivor;
- Costs in relation to counselling, legal and administration (including the coordination of requests for information and record keeping in accordance with the *State Records Act 2000*); and
- Trained staff to coordinate and facilitate a Direct Personal Response (DPR – Apology) to the survivor if requested (on a fee for service basis with costs to be covered by the individual local government – see below for further explanation).

State Government financial support for local government participation in the Scheme, as set out, will ensure that Redress is available to as many WA survivors of institutional child sexual abuse as possible.

Individual local governments participating in the Scheme as a State Government institution, with the State will be responsible for:

- Providing the State with the necessary (facilities and services) information to participate in the Scheme;
- Resources and costs associated with gathering their own (internal) information and providing that information (Request for Information) to the State (if they receive a Redress application); and
- Costs associated with the delivery of a DPR (apology), if requested (based on a standard service fee, plus travel and accommodation depending on the survivor's circumstance). The State's decision includes that all requested DPR's will be coordinated and facilitated by the Redress Coordination Unit – Department of Justice, on every occasion.

The WALGA State Council meeting of 4 March 2020:

1. Acknowledged the State Government's decision to include the participation of Local Governments in the National Redress Scheme as part of the State's declaration;
2. Endorsed the negotiation of a Memorandum of Understanding and Template Service Agreement with the State Government, and
3. Endorsed by Flying Minute the Memorandum of Understanding prior to execution, in order to uphold requirements to respond within legislative timeframes.

The State and WALGA will sign a Memorandum of Understanding to reflect the principles of WA local governments participating in the Scheme as State Government institutions and being part of the State's declaration.

State agencies (led by DLGSC), WALGA and Local Government Professionals WA will support all local governments to prepare to participate in the Scheme from 1 July 2020 (or earlier, subject to completing the necessary arrangements).

The State's decision allows for the WA Government's Scheme participation declaration to be amended to include local governments and this report seeks endorsement of the Shire's participation in the Scheme.

As an independent entity and for absolute clarity, it is essential that the Shire of Ashburton formally indicates via a decision of Council, the intention to be considered a State Government institution (for the purposes on the National Redress Scheme) and be included in the WA Government's amended participation declaration.

The Shire of Ashburton will not be included in the State's amended declaration, unless it formally decides to be included.

The financial and administrative coverage offered by the State will only be afforded to WA local governments that join the Scheme as a State Government institution, as part of the State's amended declaration.

The option also exists for the Shire of Ashburton to formally decide not to participate in the Scheme (either individually or as part of the State's declaration).

Should the Shire of Ashburton formally decide (via a resolution of Council) not to participate with the State or in the Scheme altogether, considerations for the Shire include:

- Divergence from the Commonwealth, State, WALGA and the broader local government sector's position on the Scheme (noting the Commonwealth's preparedness to name-and-shame non-participating organisations).
- Potential reputational damage at a State, sector and community level.
- Complete removal of the State's coverage of costs and administrative support, with the Shire having full responsibility and liability for any potential claim.
- Acknowledgement that the only remaining method of redress for a victim and survivor would be through civil litigation, with no upper limit, posing a significant financial risk to the Shire.

Detailed below is a list of considerations to participate in the Scheme:

Executing a Service Agreement
All Royal Commission information is confidential, and it is not known if the Shire of Ashburton will receive a Redress application. A Service Agreement will only be executed if the Shire of Ashburton receives a Redress application.

Shire of Ashburton needs to give authority to an appropriate position / officer to execute a service agreement with the State, if a Redress application is received. Timeframes for responding to a Request for Information are 3 weeks for priority applications and 7 weeks for non-priority applications. A priority application timeframe (3 weeks) will be outside most Council meeting cycles and therefore it is necessary to provide the authorisation to execute an agreement in advance.

Reporting to Council if / when an application is received
Council will receive a confidential report, notifying when a Redress application has been received. All information in the report will be de-identified but will make Council aware that an application has been received.

Application Processing / Staffing and Confidentiality
Administratively the Shire of Ashburton will determine:
- Which position(s) will be responsible for receiving applications and responding to Requests for Information;
- Support mechanisms for staff members processing Requests for Information.

The appointed person(s) will have a level of seniority in order to understand the magnitude of the undertaking and to manage the potential conflicts of interest and confidentiality requirements.

<u>Record Keeping</u>
The State Records Office advised (April 2019) all relevant agencies, including Local Governments, of a 'disposal freeze' initiated under the *State Records Act 2000* (the Act) to protect past and current records that may be relevant to actual and alleged incidents of child sexual abuse. The Shire of Ashburton's record keeping practices as a result, have been modified to ensure the secure protection and retention of relevant records. These records (or part thereof) may be required to be provided to the State's Redress Coordination Unit in relation to a Redress application.

The Redress Coordination Unit (Department of Justice) is the state record holder for Redress and will keep copies of all documentation and RFI responses. Local Governments will be required to keep their own records regarding a Redress application in a confidential and secure manner, and in line with all requirements in *The Act.*

<u>Redress Decisions</u>
The Shire of Ashburton should note that decisions regarding Redress applicant eligibility and the responsible institution(s), are made by Independent Decision Makers, based on the information received by the applicant and any RFI responses. The State Government and the Shire of Ashburton do not have any influence on the decision made and there is no right of appeal.

Consultation
The State, through the Department of Local Government, Sport and Cultural Industries (DLGSC), consulted with the WA local government sector and other key stakeholders on the Royal Commission into Institutional Responses to Child Sexual Abuse (in 2018) and the National Redress Scheme (in 2019).

The consultation throughout 2019 has focused on the National Redress Scheme with the aim of:
- raising awareness about the Scheme;
- identifying whether WA local governments are considering participating in the Scheme;
- identifying how participation may be facilitated; and
- enabling advice to be provided to Government on the longer-term participation of WA local governments.

Between March and May 2019, DLGSC completed consultations that reached 115 out of 137 WA local governments via:

- Webinars to local governments, predominately in regional and remote areas;
- Presentations at 12 WALGA Zone and Local Government Professional WA meetings;
- Responses to email and telephone enquiries from individual local governments.

It was apparent from the consultations local governments were most commonly concerned about the:

- potential cost of Redress payments;
- availability of historical information;
- capacity of local governments to provide a Direct Personal Response (apology) if requested by Redress recipients;
- process and obligations relating to maintaining confidentiality if Redress applications are received, particularly in small local governments;
- lack of insurance coverage of Redress payments by LGIS, meaning local governments would need to self-fund participation and Redress payments.

LGIS published and distributed an update (April 2019) regarding the considerations and (potential) liability position of the WA local government sector in relation to the National Redress Scheme.

The WALGA State Council meeting on 3 July 2019 recommended that:

1. *WA local government participation in the State's National Redress Scheme declaration with full financial coverage by the State Government, be endorsed in principle, noting that further engagement with the sector will occur in the second half of 2019.*
2. *WALGA continue to promote awareness of the National Redress Scheme and note that local governments may wish to join the Scheme in the future to demonstrate a commitment to the victims of institutional child sexual abuse.*

DLGSC representatives presented at a WALGA hosted webinar on 18 February 2020 and presented at all WALGA Zone meetings in late February 2020.

The State's decision, in particular to cover the costs / payments to the survivor, has taken into account the feedback provided by local governments during the consultation detailed above.

Options

Option 1
That Council:
1. Notes the consultation undertaken and information provided by the Department of Local Government, Sport and Cultural Industries in regarding the National Redress Scheme and the participation of WA local governments;
2. Agrees to participate in the National Redress Scheme as a State Government institution and is included as part of the State Government's declaration;
3. Authorises the Chief Executive Officer to execute a service agreement with the State, if a Redress application is received;
4. Notes that a confidential report will be provided if a Redress application is received by the Shire of Ashburton; and
5. Request the Chief Executive Officer prepare a Shire of Ashburton Child Safe Policy for the consideration of Council as soon as practicable.

Option 2
That Council:

1. Notes that consultation undertaken and information provided by the Department of Local Government, Sport and Cultural Industries in regarding the National Redress Scheme and the participation of WA local governments;
2. Does not endorse the participation of the Shire of Ashburton in the National Redress Scheme as a State Government institution and included as part of the State Government's declaration; and
3. Requests the Chief Executive Officer prepare a Shire of Ashburton Child Safe Policy for the consideration of Council as soon as practicable.

The option also exists for Council to formally decide not to participate in the Scheme (either individually or as part of the State's declaration).

Should the Shire formally decide (via a resolution of Council) not to participate with the State or in the Scheme altogether, considerations for the Shire include:

- Divergence from the Commonwealth, State, WALGA and the broader local government sector's position on the Scheme (noting the Commonwealth's preparedness to name-and-shame non-participating organisations).
- Potential reputational damage at a State, sector and community level.
- Complete removal of the State's coverage of costs and administrative support, with the Shire having full responsibility and liability for any potential claim.
- Acknowledgement that the only remaining method of redress for a victim and survivor would be through civil litigation, with no upper limit, posing a significant financial risk to the Shire.

Statutory Environment
The Shire in agreeing to join the Scheme, is required to adhere to legislative requirements set out in the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth).

Authorisation of an appropriately appointed person to execute a service agreement with the State, if a Redress application is received, will be in accordance with s.9.49A(4) of the *Local Government Act 1995*.

Financial Implications
The State's decision will cover the following financial costs for local governments:

- Redress monetary payment provided to the survivor;
- Costs in relation to counselling, legal and administration (including the coordination or requests for information and record keeping); and
- Trained staff to coordinate and facilitate a Direct Personal Response (DPR – Apology) to the survivor if requested (on a fee for service basis with costs to be covered by the individual local government – see below).

The only financial cost the local government may incur will be the payment of the DPR's, which is on an 'as requested' basis by the survivor. This will be based on the standard service fee of $3,000 plus travel and accommodation depending on the survivor's circumstances. All requested DPR's will be coordinated and facilitated by the Redress Coordination Unit – Department of Justice.

The State's decision also mitigates a significant financial risk to the local government in terms of waiving rights to future claims. Accepting an offer of redress has the effect of releasing the responsible participating organisation and their officials (other than the abuser/s) from civil liability for instances of sexual abuse and related non-sexual abuse of the person that is within the scope of the Scheme. This means that the person who receives redress through the Scheme, agrees to not bring or continue any civil claims against the responsible participating organisation in relation to any abuse within the scope of the Scheme.

There is no current budget allocation for matters of this type.

Strategic Implications
There are no known strategic implications for this matter.

Risk Management
Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Moderate" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications
There are no known policy implications for this matter.

Voting Requirement
Simple Majority Required

Committee Recommendation

That with respect to the National Redress Scheme (Participations of WA Local Governments), the Audit and Risk Management Committee recommend, Council:

1. Note the consultation undertaken and information provided by the Department of Local Government, Sport and Cultural Industries in regarding the National Redress Scheme and the participation of WA local governments;

2. Agree to participate in the National Redress Scheme as a State Government institution and is included as part of the State Government's declaration;

3. Authorise the Chief Executive Officer to execute a service agreement with the State, if a Redress application is received;

4. Note that a confidential report will be provided if a Redress application is received by the Shire of Ashburton; and

5. Request the Chief Executive Officer prepare a Shire of Ashburton Child Safe Policy for the consideration of Council as soon as practicable.

Alternate motion

MOVED: Cr D Diver   **SECONDED: Cr L Rumble**

That with respect to the National Redress Scheme (Participations of WA Local Governments), the Audit and Risk Management Committee recommend, Council:

1. **Note the consultation undertaken and information provided by the Department of Local Government, Sport and Cultural Industries in regarding the National Redress Scheme and the participation of WA local governments;**

2. **Agree to participate in the National Redress Scheme as a State Government institution and is included as part of the State Government's declaration;**

3. **Authorise the Chief Executive Officer to execute a service agreement with the State, if a Redress application is received;**

4. **Note that a confidential report will be provided if a Redress application is received by the Shire of Ashburton; and**

5. **Request the Chief Executive Officer prepare a Shire of Ashburton Child Safe Policy in consultation with Council and the community for the consideration of Council as soon as practicable.**

CARRIED 7/0

Reason for change – Council requested a workshop be conducted prior to the policy being finalised.

8. CONFIDENTIAL MATTERS

Under the Local Government Act 1995, Part 5, and Section 5.23, states in part:

(2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

(a) *a matter affecting an employee or employees; and*

(b) *the personal affairs of any person; and*

(c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*

(d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*

(e) *a matter that if disclosed, would reveal —*

(i) *a trade secret; or*

(ii) *information that has a commercial value to a person; or*

(iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and*

(f) *a matter that if disclosed, could be reasonably expected to —*

(i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*

(ii) *endanger the security of the local government's property; or*

(iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety;*

(g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*

(h) *such other matters as may be prescribed.*

Council Decision

MOVED: Cr K White   **SECONDED: Cr D Diver**

That Council move behind closed doors at 9.48 am to consider the following Confidential Items.

8.1   CONFIDENTIAL ITEM - UPDATE ON WITTENOOM LITIGATION, USE OF DELEGATION, WITTENOOM STEERING COMMITTEE, SENIOR COUNSEL LEGAL ADVICE AND ROEBOURNE - WITTENOOM ROAD

pursuant to sub section 5.23 (2) (a) (b) (c) and (d) of the *Local Government Act 1995* which provides:

(b) the personal affairs of any person;
(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;

(I)   a matter that if disclosed, would reveal;
(II)   a trade secret;
(III)   information that has a commercial value to a person; or
(IV)   information about the business, professional, commercial or financial affairs of a person.

CARRIED 7/0

8.1   CONFIDENTIAL ITEM - UPDATE ON WITTENOOM LITIGATION, USE OF DELEGATION, WITTENOOM STEERING COMMITTEE, SENIOR COUNSEL LEGAL ADVICE AND ROEBOURNE - WITTENOOM ROAD

MINUTE: 81/2020

FILE REFERENCE:	LS34
AUTHOR'S NAME AND POSITION:	Keith Pearson Special Projects Advisor
	Janyce Smith Executive Officer
	Alan Mccoll Manager Operations - East
AUTHORISING OFFICER AND POSITION:	Kenn Donohoe Chief Executive Officer
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	25 May 2020
DISCLOSURE OF FINANCIAL INTEREST:	The authors and the authorising officer have no financial proximity or impartiality interests in the proposal.
PREVIOUS MEETING REFERENCE:	Confidential Agenda Item 8.1 (Minute No. 23/020) Audit and Risk Committee Meeting 10 March 2020
	Confidential Agenda Item 18.5 (Minute No. 757/2020) Ordinary Meeting of Council 11 February 2020
	Confidential Agenda Item 8.1 (Minute No. 689/2019) Audit and Risk Committee Meeting 17 December 2019
	Confidential Agenda Item 18.2 (Minute No. 687/2019) Ordinary Meeting Council 22 October 2019
	Confidential Agenda Item 8.1 (Minute No 631/2019) – Audit and Risk Committee Meeting 18 September 2019

REASON FOR CONFIDENTIALITY

The Chief Executive Officer's Report is confidential in accordance with *s5.23 (2) the Local Government Act 1995* because it deals with matters affecting s5.23 (2):

(b)   *the personal affairs of any person;*
(d)   *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting.*

Committee Recommendation

That with respect to the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Legal Advice and Roebourne - Wittenoom Road, the Audit and Risk Management Committee recommend, Council:

1. Receive the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Legal Advice and Roebourne - Wittenoom Road (CONFIDENTIAL ATTACHMENT 8.1A) and remain confidential in accordance s5.23 (2)(b) & (d) of the *Local Government Act 1995*; and

2. Ensure that the Shire management continue to provide Wittenoom related reports to the Audit and Risk Management Committee.

Alternate Motion

MOVED: Cr K White   **SECONDED: Cr L Rumble**

That with respect to the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Legal Advice and Roebourne - Wittenoom Road, the Audit and Risk Management Committee recommend, Council:

1. Receive the Confidential Item – Update on Wittenoom Litigation, Use of Delegation, Wittenoom Steering Committee, Senior Counsel Legal Advice and Roebourne - Wittenoom Road (CONFIDENTIAL ATTACHMENT 8.1A) and remain confidential in accordance s5.23 (2)(b) & (d) of the *Local Government Act 1995*; and

2. Ensure that the Shire management continue to provide Wittenoom related reports to the Audit and Risk Management Committee; and

3. Request the Chief Executive Officer to develop a Senior Counsel legal brief in relation to developing Wittenoom claims.

CARRIED 7/0

Reason for change – To request the Chief Executive Officer provide a legal brief in relation to Council on legal liability matters.

Council Decision

MOVED: Cr D Diver   **SECONDED: Cr R de Pledge**

That Council re-open the meeting to the public at 10.03 am pursuant to sub section 5.23 (2) (a) and (b) of the *Local Government Act 1995*.

                                                    CARRIED 7/0

9.   NEXT MEETING

The next Audit and Risk Committee Meeting will be held on Tuesday 8 September 2020 at the Barry Lang Centre, Pannawonica at a time to be advised.

10.   CLOSURE OF MEETING

The Presiding Member closed the meeting at 10.04 am.

ASHBURTON SHIRE COUNCIL

ICT & DIGITAL STRATEGY

2020-2023

Shire of Ashburton
ICT and Digital Strategy 2020-2023

Table of Contents

Forward from the CEO

The Shire of Ashburton's ICT and Digital Economy Strategy is an important tool as we strive to achieve the Shires vision of vibrant, connected, and active communities that have access to quality services, exceptional amenities and economic vitality.

The strategy will be used to support the corporate business plan, asset management plans and workforce plan to achieve our goals and drive the liveability of the Shire forward.

The Shire is devoting significant resources into improving its Digital Services and Infrastructure in line with the WA Local Government ICT Framework.

We have also investigated ways to improve services to the Community by developing further online resources and tools to deliver better community services. This work will continue as we constantly seek to improve our IT and digital resources, systems, and service delivery options.

Kenn Donohoe

Chief Executive Officer

Ashburton Shire Council

Corporate Vision

We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected, and active communities that have access to quality services, exceptional amenities, and economic vitality.

● PANNAWONICA

● ONSLOW

●TOM PRICE

● PARABURDOO

Our Mission

To utilise ICT technology, data and digital technology as an asset for our council and community. To capitalise on opportunities presented by the digital economy and increase the liveability of our Shire.To combine good governance, leading-edge business strategy and IT knowledge, to develop efficient and effective solutions.

Purpose of the ICT Strategic Plan

This ICT and Digital Strategy will facilitate the objectives within the *Ashburton Strategic Community Plan 2017-2032* and other elements of the *Integrated Planning and Reporting Framework (IPRF)* by following a nationally accepted framework developed by the Department of Local Government and Communities – Western Australia Local Government ICT Framework. The Ashburton Shire Council exists to provide services to its community. Many of these services are underpinned by ICT assets.

The ICT and Digital Economy Strategy have been developed as a tool to:

- Assist the Chief Executive Officer and the management team to better understand the complexity of managing information and communications technology within local government
- Encourage the Shire of Ashburton to improve its ICT capability and maturity
- Enable the Shire of Ashburton to operate at or above an ICT benchmark and improve ICT Maturity
- Ensure ICT is adequately managed to support all aspects of local government operations
- Support all related elements of the ICT Strategic Framework

- Improve the understanding of ICT assets and services by ensuring access to quality data
- Provide a framework to align ICT assets and levels of service required from the assets
- Improve the organisational capabilities for the management of ICT assets and the associated services provided
- Improve confidence levels in future replacement and maintenance programs with the projected funding requirements understood to deliver the required services
- Support the Council to explore elements of the Digital Economy that will increase liveability and opportunity within the Shire.
- Ensure all business systems and applications are operating effectively for all users.
- Ensure all information and communications technology is maintained and renewed in a timely manner.
- Provide suitable business continuity solutions on a continuing basis.
- Ensure accurate and timely records management.
- Manage system security from both internal and external threats.
- Develop systems and services for the technological futureproofing of the Town.

What is ICT?

ICT refers to technology that will store, retrieve, manipulate, transmit or receive information electronically or in a digital form. It includes communications devices or applications, computer hardware, software, network infrastructure, video conferencing, telephony, and mobile devices.

Whereas Information Technology caters for the technology, information management (more commonly known as Records Services) caters for the management of the data. Together they form ICT as a service delivery method for local government agencies.

Adequate and appropriate ICT underpins all aspects of an organisation. It is integral to the delivery of services from the provision of information and advice, to providing better analysis of environmental, demographic, and social change for better land use management and planning. ICT also supports back office operations, providing data storage, information management, email, and mobile communications.
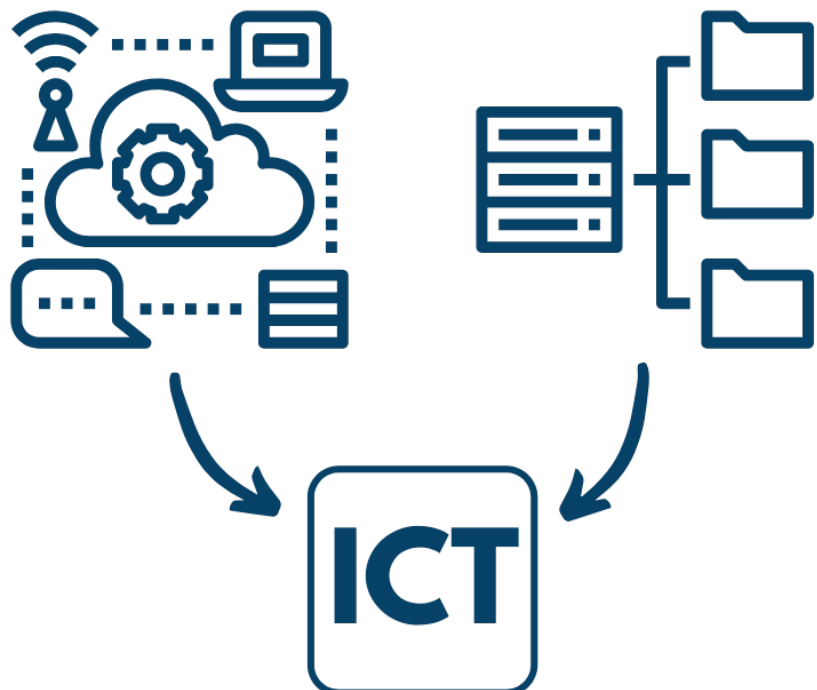
What is the Digital Economy?

The digital economy is the economic activity that results from billions of everyday online connections among people, businesses, devices, data, and processes. The backbone of the digital economy is hyper connectivity which means growing interconnectedness of people, organisations, and machines that results from the Internet, mobile technology and the internet of things (IoT).

Digital transformation will integrate digital technology into all areas of a business, resulting in fundamental changes to how councils and businesses operate and how they deliver value to customers. Citizens increasingly want to do their business online through computers, smart phones and tablets.

Digital Integration

Data Analysis

Use of technology

Transactions Online

Digital Economy
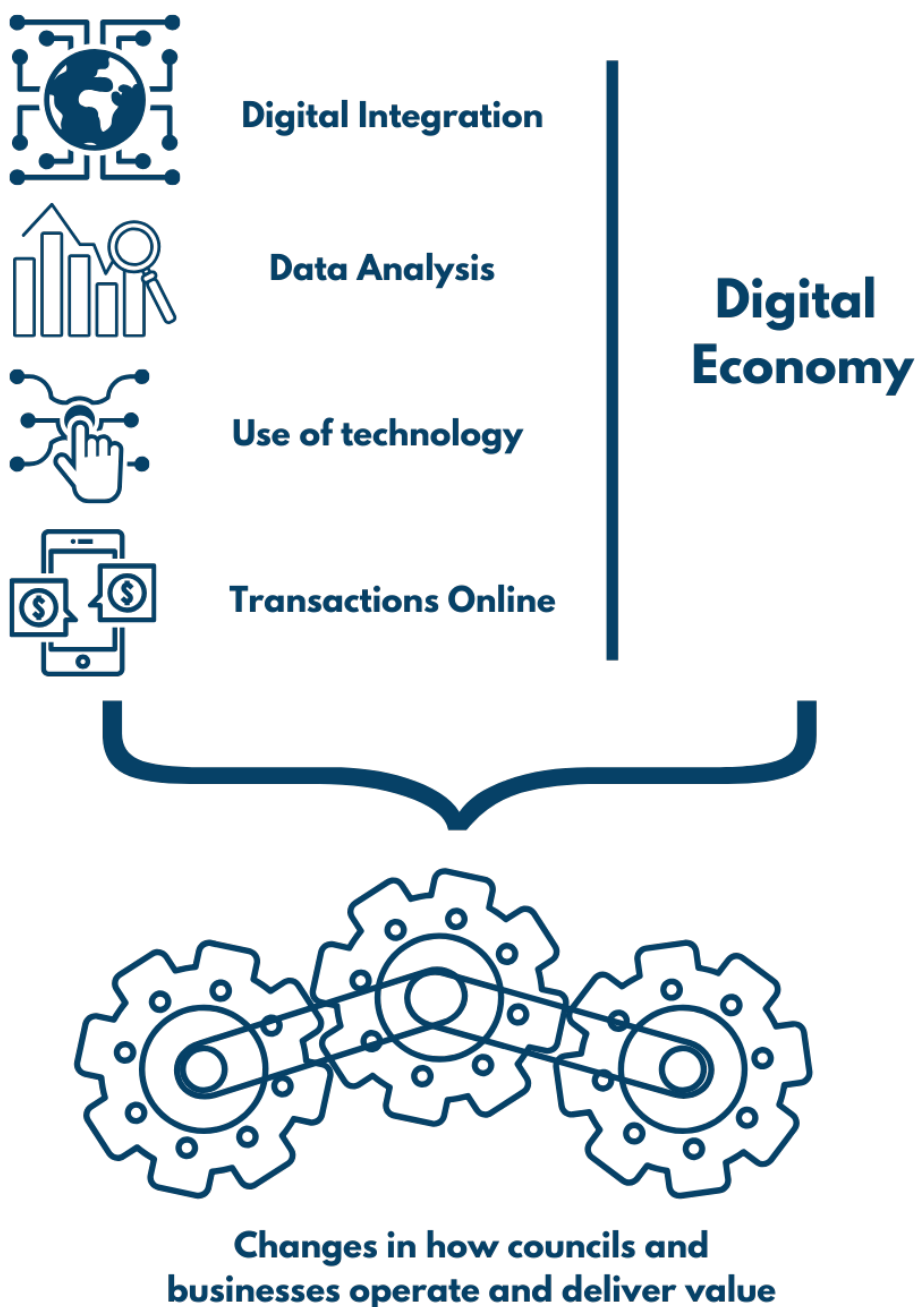
Citizens interact with local government services and infrastructure on a daily basis and many of these services require transactions between the resident, agent or business and their council. More and more government services, including local government services, are becoming available through digital services.

Accordingly, local governments are embracing innovative technology to grow to diversify their local economies, connect their communities, and to facilitate business transactions and opportunities.

Changes in how councils and businesses operate and deliver value

Challenges

During consultation with staff and executive managers several challenges regarding the ICT services provided by council emerged.

An Enterprise solution that does not fully meet business needs has resulted in business units 'going to market' to procure IT solutions without considering 'whole of Council' requirements or undertaking integration as a part of onboarding new software.

The disparate formation of Council's current ICT landscape has seen the development of pockets of 'shadow IT' across Council.

The disparate growth of the Council's ICT landscape coupled with rapid technological changes have left Council IT in a reactive mode, focusing on 'keeping the lights on'.

The IT Department has not been able to focus on more strategic tasks, such as partnering with the business to future proof Council operations through technology enablement

The current ICT governance framework and processes have been and can be 'worked around' eroding the value of the organisation's benefits vs impact analysis, creating the risk of investments in technology being wasted or lost.

Council staff are pressing calls for integration, efficiency, and innovation to reduce workloads and comply with legislative requirements. IT is faced with the challenges of managing the different needs across the organisation.

> " Ultimately, the biggest challenges are culture and leadership. Technology is only the enabler. "

shire of Ashburton
reef to range

Digitally Led Change

Central to successful digital-led change, is a clarity on what the business should look like, how it will change, and the role digital has to play. This should encompass the communities, employees and council viewpoint.

Having the right organisation and cultural environment is critical to successful change. The target is one that creates an incredible Employee and Community Experience, assisted through digital enablement.

Planned change through each stage, in terms of target values, skills, training, structure, size, processes, communication and cultural/behavioural shift support the delivery of the strategy.

Focusing on this change as a central pillar of council operations helps in developing the right digital leadership skills and environment for today and tomorrow, in order to attract, retain and develop strong talent.

Critical Success Factors for Digital and ICT Led Change

Clear Vision, Strategy, Objectives and Targets

Strategic Change Factors

Execution Change Factors

Ownership of 'Digital & ICT outcomes' by all Executive Team

User/Community experience led throughout Council

The right organisation structure, environment and empowerment

Long term data and technical architecture plan

Making the right levels of investment

Communication plan to bring the vision to life

Planning and measuring change 'centrally'

Cross functional working and design

What informed the ICT Strategic Plan?

This plan was developed from the bottom up, using input from internal staff and external Subject Matter Experts to ensure that key requirements from an officer level (the people who directly serve the community) as well as the Strategic aspirations of management were identified, prioritised and then focused in a way that directly aligns with the Shire's strategic objectives.

shire of Ashburton
reef to range

Where the plan fits into Integrated Planning and Reporting?

Integrated planning and reporting provide a framework for establishing local priorities that are linked to operational functions. The diagram below explains the different elements of the Integrated Planning and Reporting Framework and where ICT fits within the framework.

This plan is the core strategic document that enables the development of the ICT Strategic Framework and the deliverables of the pre-requisite elements.

Stakeholders

Councilors   CEO   Directors   ICT Team   Council Staff   Community

Integrated Planning and Resource Framework

Strategic Community Plan › Corporate Business Plan › Annual Budget

Informing Strategies

Finance   ICT   Assets

Services   Workforce

STRATEGY TO ACTION

Actions

| External Funding | Community Services | Records | Assets |
| Governance | Software | ICT Infrastrcuture | Disaster Resilience |

Strategy Stakeholders

Stakeholders must be considered in all actions taken under this strategy.

STAKEHOLDER	ROLE
Councilors	Represent needs of community
	Allocate resources to meet Council's objectives in providing services while managing risks
	Ensure organisation is financially sustainable
	Custodians of the assets and services, providing the interface with the community related to levels of service and good governance / management practices
CEO	Manage operational activities and future strategic planning direction
Directors	Long Term Financial Plans and operational financial data
	Defining information requirements for Audit and reporting purposes
Manager Information Services	Manage delivery of initiatives
	Capital projects planning and delivery Operational and service levels, data information and analysis
Council Staff	End user of internal services
Community and Ratepayers	End user of public facing services

Corporate Business Plan

This plan supports the below Corporate Business Plan Goals.

VIBRANT & ACTIVE COMMUNITIES

01: Connected, caring and engaged communities

People feel connected and actively involved in the community

02: Sustainable Services, Clubs, Associations and Facilities

High levels of community involvement in sporting clubs organisations to be successful and sustainable, while optimising community facility use

03: Quality education, healthcare, childcare, aged care and youth services

A cohesive approach to service development, delivery and access to quality education, healthcare, childcare, aged care and youth services and facilities

04: A rich cultural life

High levels of community appreciation for and involvement in Arts and Cultural activites

ECONOMIC PROSPERITY

01: Strong local economies

A diverse and strong economy

02: Enduring partnerships with industry and government

Industry and government actively engaging with local communities and economies

03: Well-managed tourism

Sustainable tourism activity benefitting local economies and the Shire as a whole

shire of Ashburton
reef to range

UNIQUE HERITAGE & ENVIRONMENT

01: Flourishing natural environments

The integrity of the Shire's natural environments are maintained

02: Leading regional sustainability

The Shire of Ashburton supports and implements best practice sustainability practices

03: Celebration of History and heritage

The Aboriginal and European history of the Shire is celebrated and valued

QUALITY SERVICES & INFRASTRUCTURE

01: Quality public infrastructure

Adequate, accessible, and sustainable public infrastructure

02: Accessible and safe towns

Transportation into and throughout towns are improved

03: Well-planned towns

Distinctive and well-functioning towns

shire of Ashburton
reef to range

INSPIRING GOVERNANCE

01: Effective planning for the Future

Ensure that Shire resources are optimally applied to achieving community outcomes whilst maintaining financial sustainability

02: Community ownership

An engaged and well-informed constituency

03: Council leadership

Council effectively governing the Shire, demonstrating effective governance and town leadership

04: Exemplary team and work environment

Highly functioning Shire team that effectively manages the Shires resources to build strong communities

ICT Strategic Framework

Information is a strategic resource that underpins the key functions and decision-making processes of local government. The way information is managed, including the technology used to support it, is central to local government's business practices. Alongside its physical, human and financial resources, a local government must manage its information resource in a way that enables services to be delivered that best meet community needs and the priorities set by Council.

The following strategies identify the key components that need to be considered in managing the Shire's information resources. These strategies represent the key elements, and their relationships, that might be expected in an 'ideal' operating environment.
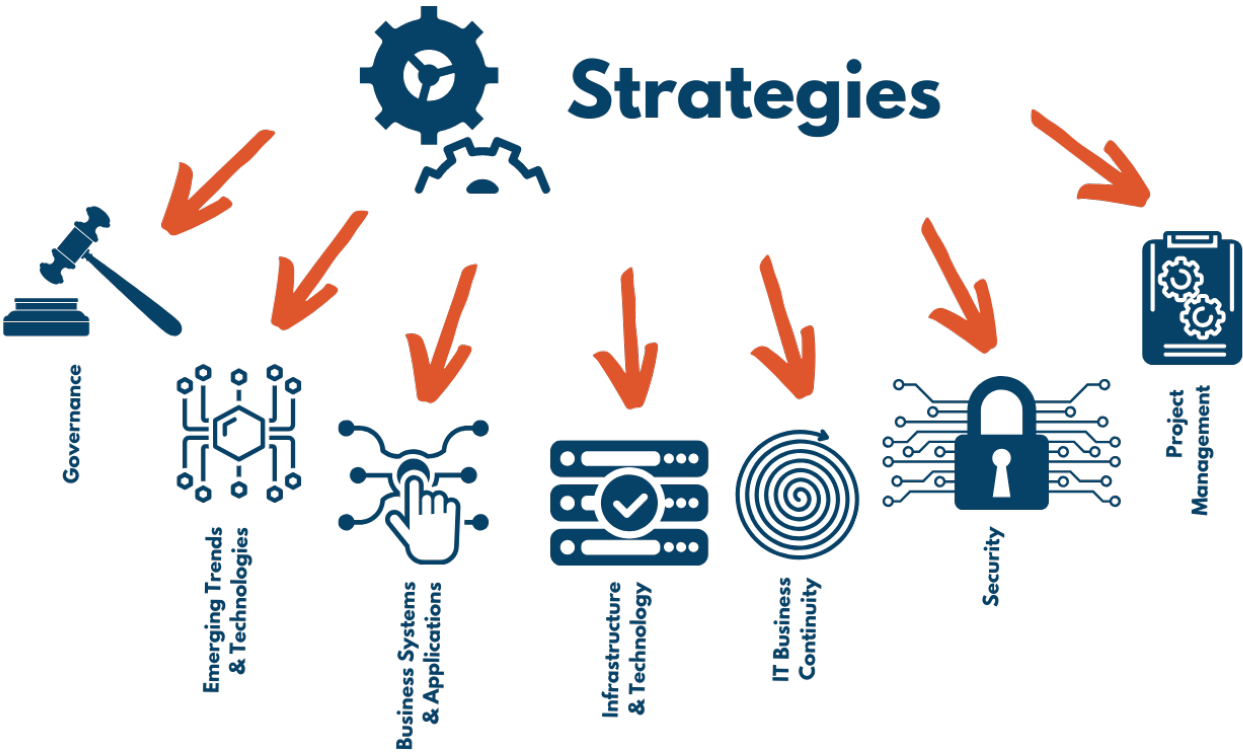
1. Governance: Implement a framework for change and development

Overview

SOA will set the vision, strategy, objectives and targets to achieve digital and ICT maturity across the systems and processes of Council. Based on the Western Australian Local Government ICT Framework Council will guide decision making and expenditure to achieve this.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
1.1. *Involve IT in Corporate Planning*	Council will include IT in the development of strategic, corporate and community plans.	✓	✓	✓
	Ensure that a cross-council process of digitisation and digital first is led by the CEO with support from the Executive Team or another relevant officer	✓	✓	✓
1.2. *Review the organizational structure to include all core ICT related functions in the one department*	SOA will review the internal organisational structure to ascertain the best delivery team for Software Applications, CCTV, Security and Record Management.	✓		
	Restructure IT Team to include CCTV, Security, Wi-Fi and Records.	✓		
1.3. *Common capabilities and shared services are adopted where possible.*	SOA will work towards creating a culture of openness regarding ICT needs across all business units by ensuring that all discussions include all departments, will identify common themes, trends and needs to allow for a common approach that has a broader application.	✓	✓	✓
	Utilise the ICT Technical working group to ascertain cross-department	✓	✓	✓

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 19

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	ICT needs and applications within the organisation.			
1.4. Undertake compliance monitoring	Council will ensure there are measures and controls in place to monitor use and compliance with controls, policies and procedures.	✓	✓	✓
1.5. Create an ICT Technical and Business Efficiency Working group	SOA will leverage the appetite for change across the organisation by providing an avenue for open discussion and feedback. Any changes that are proposed will be reviewed to determine the benefit and effect on each individual business unit.	✓	✓	✓
1.6. Commit to managing and minimising ICT related risk	Identify, analyse, evaluate and prioritise risks based on the impact on Council achieving its objectives	✓	✓	✓
1.7. Investigate opportunities to partner with government business and industry to deliver enhanced ICT	Build partnerships with business and industry to reduce cost and increase accessibility.	✓	✓	✓
	Commence discussions with key industry partners to explore opportunities to access ICT infrastructure.	✓		
	Secure State Government and Federal Government funding for ICT infrastructure and programs to educate and build the skills of Council, businesses and the community to better understand and capitalise on emerging digital technologies.		✓	✓
1.8. Ensure Policies and Procedures reflect current best practice	Develop, implement and review ICT related policies and procedures as outlines in the WA Local Government ICT Strategic Framework and as detailed in the SOA ICT Strategy 2018-2021	✓	✓	✓

2. Emerging trends and technologies: Maximise Value from ICT Investment

Overview

SOA needs to be able to adapt to changes in the Global ICT environment. An internal Framework for change allows all improvements, ideas and enhancements to be reviewed in the same way. This enables all changes to be reviewed on their own merit and investigated with all business units involved.

SOA will also seek to maximise the efficient use of new and existing assets both internally and for the community.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
2.1. *Build systems to be "Digital by Default".*	When investigating and building new systems, there will be a requirement that these systems will be fully available online, allowing customers to complete functions and activities at any time, without attending an SOA office.	✓	✓	✓
	Adopt a "digital challenge" for each business decision that utilizes the digital workspace creating the business mindset of "we can do better" through the use of technology.	✓	✓	✓
	SOA will adopt and implement a digital first policy for publishing information and for undertaking consultations. The Council will undertake a comprehensive review of its current approach and implement new processes, channels, roles and responsibilities	✓	✓	✓
2.2. *Investigate the usage of cloud technologies to*	Cloud technologies have matured to a point where they need to be considered as a	✓		

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
enable efficiencies.	viable alternative to on premise solutions. Due to the cost of Cloud solutions, any move by SOA will be a measured approach, looking at the benefits of cloud compared to on premise.			
	Upgrade the Library database to be available online		✓	
2.3. *Leverage capabilities of current corporate applications.*	SOA currently uses a number of corporate application suites for internal business processes. Features for current applications need to be leveraged to maximise return on investment (ROI). Updates that provide new features and functionality should be investigated before looking at new solutions to fulfil a shortfall provided by current vendors.	✓	✓	✓
	Migrate the exchange server to Office 365	✓		
2.4. *Undertake Return on Investment (ROI) for each critical ICT Service for cloud evaluation.*	As technology develops at a rapid pace and a number of core SOA business applications now support cloud-based implementation, there is an opportunity to undertake a ROI to understand if SOA can make significant savings for software maintenance and support. ICT with the technical working group will undertake a ROI report to provide clarity on which technology supports the needs of the business and understand the true impact of emerging technology's provided by the software vendors.	✓	✓	✓

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 22

3. Business Systems and Applications: Enhanced service delivery

Overview

SOA will change the customer's perception of what services can be provided and how. SOA's aim is to provide a full, self-service solution that delivers multiple services in a customer focused way on any device and at any time.

SOA will focus on identifying and delivering benefits and value for money from ICT investment, including the ongoing transformation of Council, and the continuous improvement of customer services.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
3.1. *Engage the members of the community.*	SOA will regularly engage the community about issues affecting them and collaborate with ICT to identify any possible solutions through the use of technology. SOA will also review current products and services to ensure they remain relevant and cost-effective.	✓	✓	✓
	Drive for a CRM that is a single source of truth for customer information		✓	
3.2. *Utilise digital services and Smart City Technologies to provide innovative solutions.*	Through the Smart Cities program and other grant funding opportunities, SOA will seek information and options for solutions to problems in the Region. Digital services will be investigated to widen visibility and access to these solutions.	✓		
	Investigate and trial the use of Smart City infrastructure.		✓	✓
3.3. *Support a 24/7 portal.*	Demand for public services and expectations of levels of service are always increasing. Residents and businesses demand the same levels of access and personalisation that	✓		

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	they see online from large private sector organisations. SOA will use this influence to investigate a 24/7 portal for the community.			
	SOA will seek to save resources by moving transactions online. Examine all customer facing services that council provides and support a move online available 24/7 and on any device.	✓	✓	✓
	Investigate the electronic transmission and payment of rates and other council fees in compliance with the Electronic Transactions Act 2011			
3.4. Utilise captured data to add value to customer interaction	SOA will explore how it can use its existing and new data to draw insights and design products and services with the needs of the community in mind. This will be through collaboration with all business units of SOA and ICT.	✓	✓	✓
	Investigate opportunities for data and information capture and analysis through CCTV and Public Wi-fi to support council activities.	✓		
3.5. Focus on assisting staff adapt to Change.	To avoid resistance to change with current and new applications and systems, SOA will use training to enable all staff to familiarise themselves with any new processes and procedures.	✓	✓	✓
	Provide ongoing professional development for gaining maximum use of existing applications and internal training for all ICT related policies and procedures.	✓	✓	✓
	Rationalise duplicate software	✓	✓	

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	capabilities to achieve financial, business and staff training efficiencies.			
	Update Share Point to Office 365 and redevelop intranet. To support consistent information sharing and resources for staff.	✓		
3.6. *Offer opportunities to improve the digital literacy of the community.*	Expand the work and role of public libraries for expanding the community's digital access and education services. Investigate opportunities for Shire libraries and other community facilities to have a strengthened role in enabling all residents to have access to online services and digital resources. Including providing free Wi-Fi within each facility, providing mobile tablet devices for loan use within each facility and providing access to a rich array of online resources, including educational resources.	✓	✓	✓

4. Infrastructure and Technology: Support an agile and mobile workforce

Overview

SOA services a large local government area with Office locations in Tom Price, Onslow and Paraburdoo. With employees spread over the entire region, investment must be made to make these employees as productive outside of the office as when they are in it.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
4.1. *Ensure ICT Assets and services are reviewed, utilised and replaced if required in a timely manner to get "value for money".*	SOA will ensure that all ICT Assets are reviewed for maintenance and replacement purposes to allow the maximum value to be obtained.	✓		
	Maintain an ICT Asset Register	✓	✓	✓
	Identify and deliver ICT Asset Management Targets including asset management and replacement (Refer Appendix A)	✓		
	Complete a Forecast budget for ICT Asset replacement (Refer Appendix C)	✓	✓	✓
	Replace and consolidate servers and storage infrastructure.	✓		
	Undertake 4-month review of upgraded network connections, if necessary, redesign Network.	✓		
	Review and consolidate all internet connections. Approach the market for cost comparison ahead of new contract.	✓		
4.2. *Enable Centralised Management and Deployment of Applications.*	Create a centralized application deployment tool to support both consistent application access and updates.		✓	
4.3. *Provide staff with the resources to work from multiple sites.*	A mobile workforce needs to have the support of the ICT Department, from any location. All SOA devices will be monitored and maintained by a Centralised management system that will allow the	✓		

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	efficient deployment of updates, software and applications.			
	Migrate to Office 365 for all applications to seek improvements in work efficiency with cloud available services and consistent version control.	✓		
	Upgrade phone system to integrate with Microsoft Teams.	✓		
	As cloud solutions are being investigated, staff need to have access to the on-premise infrastructure to enable connection to corporate applications and services including phones. Mobile Devices will be assigned where necessary.	✓	✓	✓
4.4. Promote a collaborative workplace.	Working in teams enables staff to be quicker and more effective in their work, with this view, SOA will utilise Cloud based applications to promote a collaborative workplace. This will enable the mobile workforce to participate in projects, while not being locked down to a physical location to share information.	✓		

5. IT business continuity: Support Key Council Functions

Overview

Much of the SOA is classified as remote making blackouts, brownout and IT service interruption a high risk. The SOA is also located within a cyclone and flood prone region therefore a key focus of the council will be undertaking activities to enable performance of key functions and delivery of ICT services in all circumstances.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
5.1. *Ensure Business Continuity and Disaster Recovery requirements align with ICT capabilities*	In the event of an emergency or natural disaster, SOA needs to return to "Business as Usual" (BAU) as quickly as possible. This recovery will utilise equipment that is "fit for purpose" and meet Business Continuity Plan (BCP) restore times.	✓		
	Identify Business Continuity and Disaster Resilience requirements and upgrade Disaster resilience infrastructure and software.	✓	✓	
	Maintain regular Disaster resilience and Business Continuity testing procedures.	✓	✓	✓
5.2. *Promote ICT Training to staff.*	With the introduction of new ICT systems and solutions, regular staff training needs to be provided to ensure all users are using it correctly and efficiently. Refresher training will also be delivered for applications that are currently in use	✓	✓	✓
5.3. *Measure the performance of ICT Services*	SOA will determine and implement Internal Service Level Agreements SLAs for Departments and apply to ICT operations (refer Appendix B)	✓		
	Conduct a skills matrix of all ICT support staff to determine areas requiring additional training, development or resources.	✓		
	SOA will benchmark the performance of the Council and associated ICT services, policies	✓	✓	✓

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	and procedures against the WA Local Government ICT Maturity Model.			
	SOA will regularly review and update actions in this strategy to improve the ICT Maturity of the Council (Refer APPENDIX E).	✓	✓	✓
5.4. *Ensure record management systems and processes support business continuity*	SOA will work towards a compliant, fully digitized record management system that reduces the burden on staff operations.	✓		
	Council will digitize all historical paper-based records and have access to them through a compliant records management system (*State Records Act 2000*)	✓	✓	

6. Security: Personal and business safety

Overview

SOA relies on its ICT systems to provide critical services to its stakeholders. With the release of the WA Digital Security Policy in 2016 by the WA State Government, focus needs to be given to the security, accessibility, and reliability of these ICT systems including protecting information and systems from unauthorised access, use, modification, disclosure, or destruction.

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
6.1. *Improve ICT environment visibility through security information and event management (SIEM).*	SIEM provides insights into activities that are occurring within the ICT environment and can list the history of changes over an extended period. SOA needs to be able to maintain its commitment to meeting compliance requirements for Cybersecurity and accountability.	✓		
	Upgrade Perimeter security with Next Generation Firewalls.	✓	✓	✓
	Refine Anti-Virus policies.	✓		
	Review User Security settings and align with WA Digital Security Policy.	✓	✓	✓
	Introduce additional level of security by providing token-based/single sign-on authentication.	✓		
	Monitor and report on all cybersecurity events. Perform penetration testing and vulnerability detection.	✓	✓	✓
6.2. *Maximise security while maintaining performance and access.*	Security will need to be balanced against performance and access. To maintain the security of Personally Identifiable Information (PII), access will be granted only if there is a need to fulfil position responsibilities.		✓	

shire of Ashburton
reef to range

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
	Review and undertake Recommendations outlined in the *Information Systems Audit Report 2020 - Local Government Entities*	✓	✓	✓
6.3. *Utilise current and developing network technologies to improve connectivity for all staff at Council sites.*	The SOA Local Government Area (LGA) encompasses a large area, with many different terrains. SOA needs to support the demand for constant connectivity by developing failover solutions for network outages.	✓		
	Utilise existing Microwave Network and make improvements or additions where necessary.	✓		
6.4. *Develop ICT capabilities to support Council's growing need for an efficient service*	Internal ICT resources need to develop and adapt to the changes in the ICT environment of SOA. The introduction of flexible working hours and cross-skilling will be investigated so ICT will be able to provide an efficient support channel for SOA's business units	✓		
	Ensure auditing, finance and record keeping capabilities meet reporting requirements	✓	✓	✓

7. Project Management: Documentation and consistency

Overview

The discipline of planning, organising, controlling, and managing resources to achieve specific goals.

- Initiation
- Planning
- Execution
- Reporting
- Monitoring and controlling
- Closing

Objectives

STRATEGY	ACTION	2020/21	2021/22	2022 Onwards
7.1. *Endorse ICT to be a leader in Projects that require new systems/processes.*	ICT will be promoted as a key partner in projects that require new systems or process. This will ensure that any new systems and processes will be able to analysed on their integration with current solutions.	✓		
7.2. *Provide a project plan for all ICT related Projects*	ICT will be responsible for the development of individual project plans that describe the objective, budget, alignment to ICT Strategy, procurement process, budget alignment and measurement of success.	✓	✓	✓
7.3. *Ensure all ICT related projects that impact council operations and services complete a business case*	Department Managers with ICT will be responsible for producing a business case/briefing note including ROI, staff training and cost considerations	✓	✓	✓

APPENDIX A: Asset Management Targets

Useful Life

The useful lives of assets used to develop projected asset replacement timeframes and expenditures are shown below. Due to the nature of the assets, estimated remaining useful life has not been included.

The Shire will target the following ICT Asset replacement timeframes:

- 95% of staff workstations are < 3 years old;
- 95% of copiers are < 4 years old.
- 95% of servers are < 4 years old; and
- 95% of network equipment are < 4 years old.
- For Software, the Shire is aiming to achieve:
- 95% of workstations to have Windows 10 installed.
- 95% of workstations to have Office 365 installed.
- 80% of server operating systems to have Windows Server 2019 installed.
- 50% of server databases to have SQL server 2019 installed; and
- 90% licensing compliance.

Asset Management System

Implement an ICT asset management system and procedure

The objectives of the ICT asset management procedure is to ensure:
- all ICT assets are identified and documented throughout their ICT asset lifecycle
- all ICT assets are maintained and renewed according to defined asset specifications and expected life
- all ICT assets are risk managed throughout their lifecycle
- ICT asset owners are identified and are aware of their responsibilities
- replacement of ICT assets are planned well in advance
- roles and responsibilities are clearly defined within the asset management lifecycle
- lifecycle stages for ICT assets (i.e. plan, purchase, implement, utilise and enhance/retire) aligns with relevant Council policies and procedures to ensure maximum compatibility with existing systems and the provision of proper support.

A matrix is to be developed to outline the required equipment for each substantive position within Council. This will be developed in conjunction with appropriate Managers and Executive Managers providing automatic approval for IT equipment. Any requests for new equipment outside this matrix will require a business case that has Manager and Executive Manager approval.

Continuous improvement of asset management practices, processes and procedures will ensure an increased maturity in the continuing development of this ICT SMP.

Asset Disposal

Purchased hardware assets are disposed of at the end of their useful life through an approved third-party provider. The entity performing the service must certify that each item has been disposed of securely and in compliance with ISO 9001:2000 (Quality Management Standard) and ISO 14001:2004 (Environmental Management Standard).

Data sanitisation and destruction must comply with Australian Government Information Security Controls.

Generally speaking, the value of the equipment at the end of its useful life is sufficient only to offset the costs of disposal and therefore has no residual value.

Leased hardware is handled similarly at the end of the lease period with equipment being returned to the Lessor via a third party who provides the required end of lease services. Leased equipment has no residual value to Council at the end of the lease period.

APPENDIX B: Service Level Targets

Within the ICT environment there are two aspects to service levels. These are:
Appropriate assets provided to enable ICT customers to complete their work efficiently and effectively

Availability of ICT services in terms of robust systems and resolution of user problems

In respect to the above, an ICT request's priority is usually determined by assessing its impact and urgency, where:
Urgency is a measure of how quickly a resolution of the incident is required

Impact is a measure of the extent of the incident and of the potential damage caused by the incident before it can be resolved

Incident vs Service

CLASSIFICATION	DEFINITION
Incident	An incident is defined in any event that is unplanned and that causes an interruption in service or a deterioration in service quality.
Service	A service request is a request from a User for information or advice or for a standard change of access to an ICT service. For example, to reset a password, new user account creation etc.

To determine the request's impact and service priority the highest relevant category is to be chosen from those below:

IMPACT	DESCRIPTION
Critical	All users affected Council services unavailable internally Very large number of customers affected (more than 500)
High	A large number of users are affected (an entire directorate, >50) A large number of customers are affected (more than 100) The financial impact of the Incident is likely to exceed $10,000 The damage to the reputation of the business is likely to be high – incident likely to be newsworthy (Front page news) Someone is at risk of serious injury
Medium	A moderate number of users is affected (5 to 50) A moderate number of customers is affected (50 to 100) The financial impact of the Incident is likely to exceed $1,000 but will not be more than $10,000

IMPACT	DESCRIPTION
	The damage to the reputation of the Council is likely to be moderate (Not front page news)
Low	A minimal number of users are affected (<5)
	A minimal number of customers are affected (<50)
	The financial impact of the Incident is likely to be less than $1,000
	The damage to the reputation of the Council is likely to be minimal or nothing. (letters to the editor etc))

Service Request Framework

SR CLASSIFICATION	CRITERIA	INITIAL RESPONSE	SERVICES HOURS AVAILABLE	TARGET RESOLUTION
Priority 1 (Critical)	Business Inoperable A priority 1 service request is defined where business operations are unable to be carried out due to a system failure. No work-around exists.	15 Mins (Bus Hrs) 1 Hrs (Out of Hrs)	24x7	3 Hrs from initial response time
Priority 2 (High)	Business Interrupted A priority 2 service request is defined where a significant impact on business operations is experienced but workarounds are available to continue operations.	30 Mins (Bus Hrs) 2 Hrs (Out of Hrs)	24x7	6 Hrs from initial response time
Priority 3 (Medium)	Minimal Business Interruption A priority 3 service request is identified where a small impact on business operations is experienced by a select number of staff and workarounds are available to continue operations.	4 Hrs	8x5 Bus-Hours Only*	24 Hrs
Priority 4 (Low)	Minor End User Issue A priority 4 service request is identified where a single user is prevented from carrying out noncritical business operations. Plannable changes to users and systems. (Eg. User Account Creation, Mail Forwarding, Software Installation)	24 Hrs	Strictly 8x5 Bus-Hours Only*	3 Business Days

SR CLASSIFICATION	CRITERIA	INITIAL RESPONSE	SERVICES HOURS AVAILABLE	TARGET RESOLUTION
IMACS	An IMACS service request is identified where a request is deemed to be a project. (Installs, Moves, Adds, Changes)	N/A	Strictly 8x5 Bus-Hours Only*	To be negotiated on a case-by-case basis

Any service request that is expected to take longer than 20 days will be considered as a 'Project'. The above is a revision of the original model put forward and is yet to be approved by the Information Services Steering Committee and communicated to the organisation.

These service levels, when fully developed, will apply across all asset classes and will be updated in ICT's service desk software in order to accurately track performance against SLA's. It should be noted a decision to provide increased levels of service will require additional funding to provide the service. Conversely, a decision to reduce funding will generally result in lower service levels.

Appendix C: ICT Asset Overview

ASSET CLASS	SUB CLASS	QTY	ESTIMATED RELACEMENT $
Desktop Equipment	Desktops	50	70,000
	Monitors	249	55,000
	Laptops	76	141,500
Mobile Devices	Mobile Phones	121	94,500
	Satellite Phones & Data Modems	60	76,000
	Tablets	25	52,000
	iPads	8	11,000
	GPS Devices	14	23,000
Network Equipment	Servers	7	125,000
	Storage	2	31,000
	Network Switches	40	230,000
	UPS	13	69,000
	Firewalls	2	14,000
	Wireless Access Points	12	13,000
	Gateways	15	90,000
	Cabinets, cabling, etc.	-	835,000
ICT Applications (intangible assets)	Major software assets (i.e. Synergy)	3	1,500,000
	Major software license only assets (i.e. Microsoft, Adobe)	2	72,000
	Minor software (GIS, Asset Manager)	8	140,000
CCTV Camera Infrastructure	Desktops	3	3,000
	Monitors	3	600
	Cameras	60	95,000
	Servers	4	48,000
	Switches	13	5,000
	UPS	2	1,000
	Poles, Cabinets, Cabling	-	40,000
	Wireless Radio Transceivers	12	5,000
Audio Visual Equipment	Projectors	6	13,500
	Screens - fixed	3	3,500
	Televisions	30	20,000
	Council Chambers Audio System	2	65,000
	Audio Systems	1	25,000
	Printers	30	270,000

ASSET CLASS	SUB CLASS	QTY	ESTIMATED RELACEMENT $
Other Equipment	Mondo Pads	7	86,000
	Plotters / Scanners	2	40,000
	Telephony Systems (TIPT)	1	70,000
	POS Equipment	4	40,000
Approx. TOTAL VALUE			4,472,600

APPENDIX D: ICT Risk Framework

Ashburton Shire Council recognises the need for risk management to feature as a consideration in strategic and operational planning, day to day management and decision making at all levels in the organisation.

As such, there is a commitment to managing and minimising risk by identifying, analysing, evaluating and treating exposures that may impact on Council achieving its objectives and / or the continued efficiency and effectiveness of its operations. An ICT Key Risk Register is currently under development.

The following principles will apply to managing risks relating to ICT assets:

Quality

ICT assets will be maintained in a usable condition. Warranties are included in the procurement process to ensure items are covered for the entirety of their expected life. Warranty claims are processed as required. Where the issue is not covered by warranty, the item will be replaced.

Function

ICT assets will be maintained at a secure and reliable level and associated equipment and tools will be provided to ensure the following key business goals are met:

- Improve customer experience
- Achieve financial sustainability
- Deliver continuous improvement

The main functional consequence of our ICT services is to enable us to deliver more efficient and effective services to our community, and thereby achieve Council's strategic objectives.

Reliability

The ICT network is monitored through actioning user requests and ensuring that maintenance programs are undertaken in a proactive manner with consideration to staffing resource restrictions. We will endeavour to manage these risks by:

- Monitoring and prioritising the risks
- Keeping ICT users informed
- Managing ICT assets throughout their lifecycle

Flexibility

Our ICT strategies balance a due diligence approach through the development of business cases, which examine the cost benefit of various options and offer the flexibility to adapt to emerging trends and opportunities.

Critical assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. Within the ICT SMP, the following asset classes/sub classes are considered critical:

- Network equipment
- Major software

By identifying critical assets and critical failure modes, we can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time. Operations and maintenance activities may be targeted to mitigate critical asset failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc

shire of Ashburton
reef to range

APPENDIX E: ICT Maturity Model

The results below are based on a self-assessment completed by SOA ICT Staff in June 2020.

ICT Maturity in detail

Element of the ICT Strategic Framework	ICT Maturity
Governance	Below Baseline
Emerging Trends and Technologies	Below Baseline
Business Systems and Applications	Below Baseline
Infrastructure and Technology	Baseline
IT Business Continuity	Below Baseline
Security	Below Baseline
Project Management	Below Baseline

shire of Ashburton
reef to range

ICT Maturity
Summary of Results

ICT Maturity - Governance

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 43

shire of Ashburton
reef to range

ICT Maturity - Emerging Technologies and Trends

Social media is used as a means to engage with our community Strongly Agree

A documented Bring-Your-Own-Device (BYOD policy) is in place Strongly Disagree

A social media policy in place Agree

Staff are permitted to connect and use their own devices (eg tablets, laptops) in the workplace Strongly...

Appropriate records for social media are being kept in line with State Records requirements Not sure

A cloud computing policy has been developed Strongly Disagree

Our local government is using or considering cloud computing Agree

Our local government has developed or is using mobile applications to deliver services to the community...

Our local government is aware of data sovereignty issues and security risks potentially associated with...

Our local government has a mobile-accessible website Agree

- Recommended
- Ideal
- Baseline
- Score

ICT Maturity - Business Systems and Applications

All software is appropriately licenced Strongly Agree
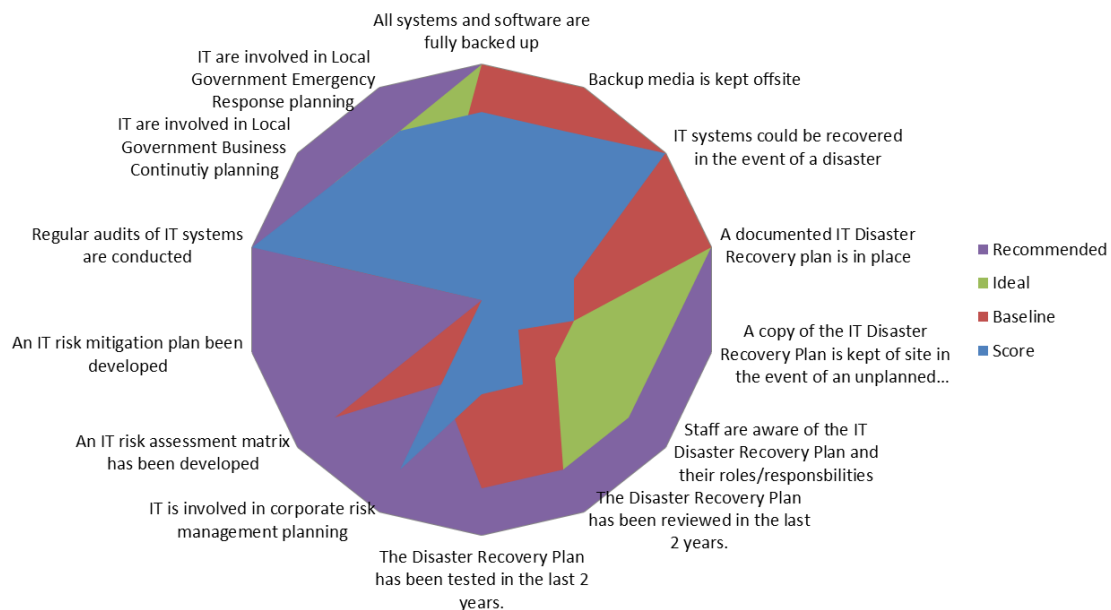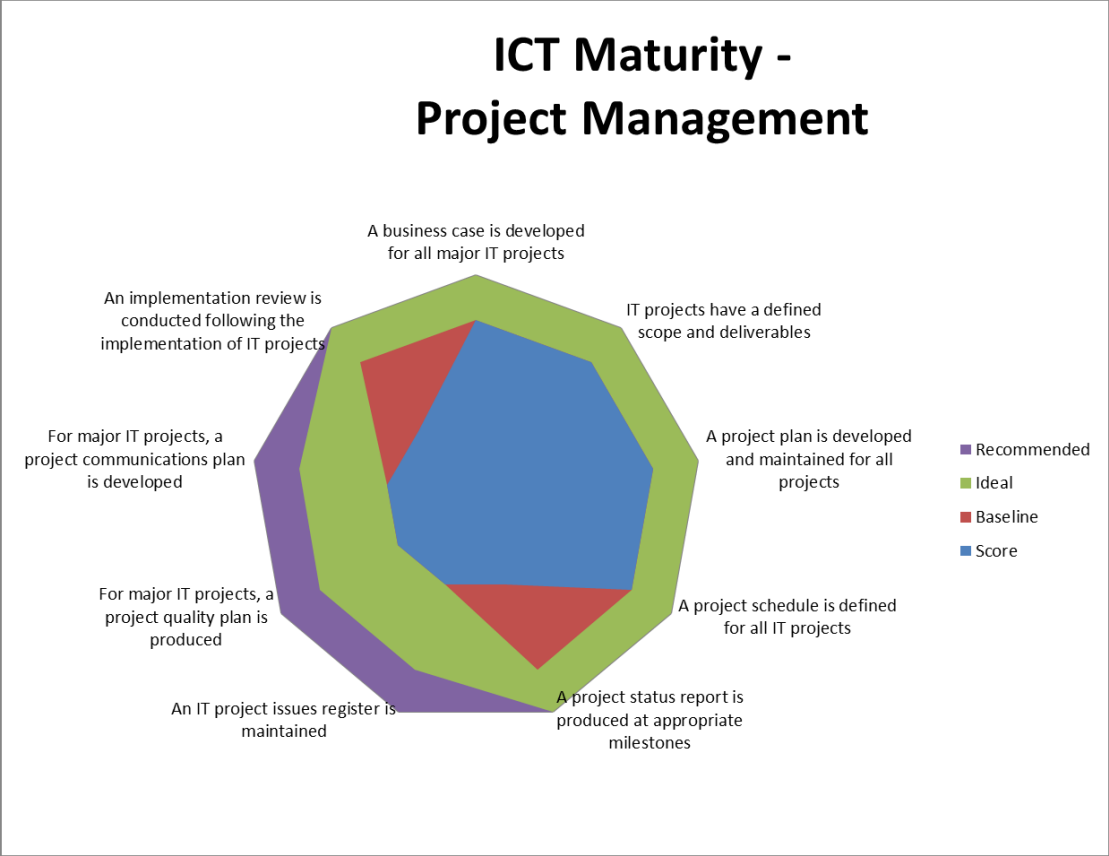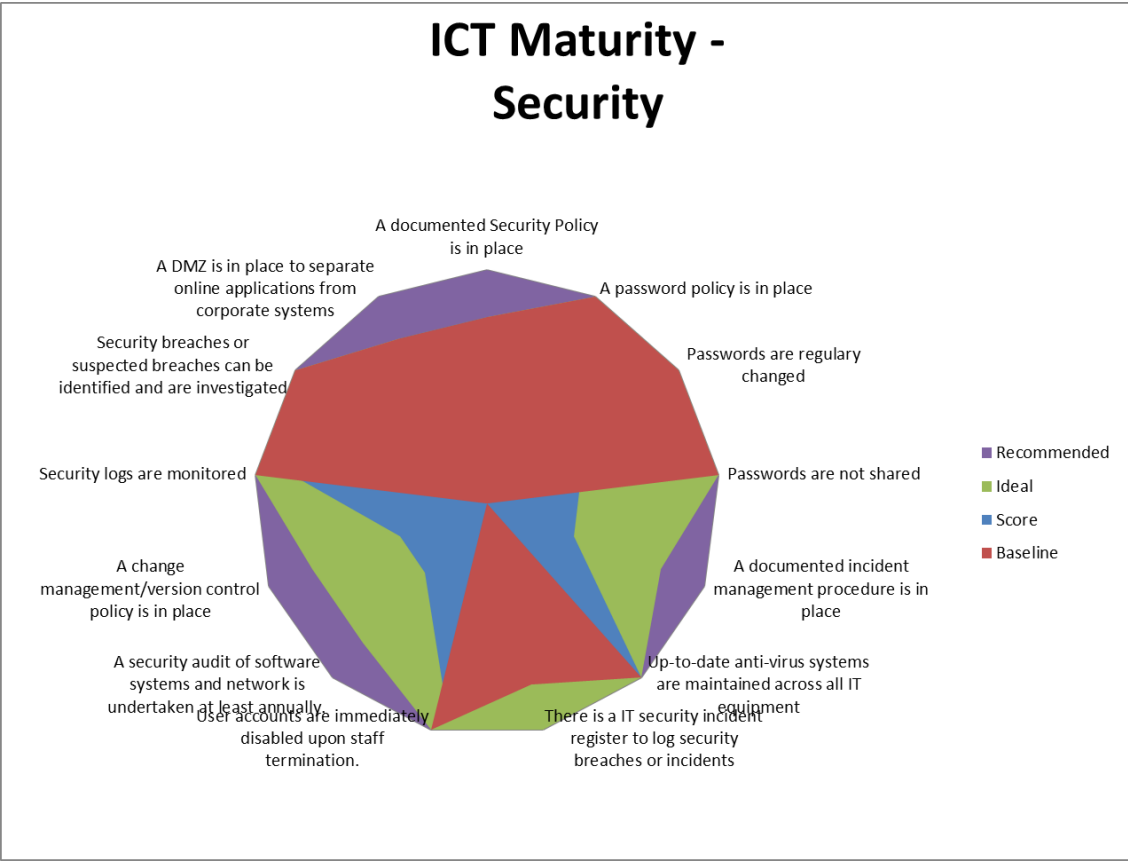
Change management controls/processes are in place to manage alterations to the IT environment...

An up-to-date list/register of all software assets is maintained Agree

Systems are in place to manage version control of documents and systems Strongly Agree

Corporate software applications are appropriately upgraded to ensure software version is...

Intellectual property (IP) for corporate applications systems is protected by Escrow agreement Disagree

Software systems are appropriately documented Not sure

Prior to acquiring or developing software, a formal process of scoping and determining...

A software Asset Management Policy is in place Agree

A website accessability policy is in place Agree

Systems test and implementation plans are in place Disagree

Business plans are developed to guide development of the website and/or intranet Not sure

- Recommended
- Ideal
- Baseline
- Score

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 44

ICT Maturity - Infrastructure and Technology

ICT Maturity - IT Business Continuity

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 45

shire of Ashburton
reef to range

ICT Maturity - Security

A documented Security Policy is in place

A DMZ is in place to separate online applications from corporate systems

A password policy is in place

Security breaches or suspected breaches can be identified and are investigated

Passwords are regulary changed

Security logs are monitored

Passwords are not shared

A change management/version control policy is in place

A documented incident management procedure is in place

A security audit of software systems and network is undertaken at least annually.

Up-to-date anti-virus systems are maintained across all IT equipment

User accounts are immediately disabled upon staff termination.

There is a IT security incident register to log security breaches or incidents

- Recommended
- Ideal
- Score
- Baseline

ICT Maturity - Project Management

A business case is developed for all major IT projects

An implementation review is conducted following the implementation of IT projects

IT projects have a defined scope and deliverables

For major IT projects, a project communications plan is developed

A project plan is developed and maintained for all projects

For major IT projects, a project quality plan is produced

A project schedule is defined for all IT projects

An IT project issues register is maintained

A project status report is produced at appropriate milestones

- Recommended
- Ideal
- Baseline
- Score

ICT & DIGITAL STRATEGIC PLAN 2020/23 |
SHIRE OF ASHBURTON 46

ICT Action Plan 2020-2021

Document Revision History			
Date	Version #	Author	Reason
1/06/2020	0.1a	A. Sheedy	DRAFT – Document Preparation
12/06/2020	0.2	A. Sheedy	DRAFT – For Internal Review
13/06/2020	1.0	B. Manktelow	Final Review with Updates for Strategy
14/06/2020	1.1	A. Sheedy	Adjustments conforming to Strategy
15/06/2020	1.2	A. Sheedy	Fix quarterly calculation table
07/07/2020	1.3	A. Sheedy	Updates during ICT Meeting

Contents

Overview

This document outlines the recommended tasks that will expand and improve the IT services at the Shire of Ashburton. Only major action items from the currently tabled ICT Strategy document are addressed. Importantly this document approaches these action items from a technical perspective to give the Shire the best outcomes quickly.

As the Shire adopts each aspect of the Strategy further action items can be appended in order for the directors to fully understand the activities generated.

Most of these items can be performed in the order presented herein, with some that can be done simultaneously.

All cost estimates are high in order to reduce the chance for non-budgeted expenses. Expect actual amounts to be less than listed herein.

Definition of Priority Levels

Each action item is assigned a priority based on the following:

Priority Level		
Priority 1	Immediate Action Required	The organisation bears significant risk or is disadvantaged, therefore these actions need to be performed asap
Priority 2	Action to be strongly considered	Improvements have been found that will bring the organisation up to the relevant standard. Current workarounds are in place
Priority 3	Action recommended	These actions will yield lasting value to the organisation but are not urgent

Summary of Action Items

Section	Action Item	Recommendation	Priority
P1.1	Migrate to Microsoft 365	Audit all mailboxes and file stores and move them to 365	1
P1.2	Consolidate Server Sprawl	The 50+ virtual servers need to be consolidated to between 10 and 20	1
P1.3	Replace and consolidate servers and storage infrastructure	Upgrade server infrastructure to ensure a stable and supportable environment. Build in various levels of redundancy	1
P1.4	Implement Multi-factor Authentication	Reduce opportunistic intrusions by adding this simple function	1
P1.5	Develop and Implement Cyber Security Posture	Infrastructure is continuously being attacked. Add a Security-as-a-Service capability and ensure security recommendations from government are adhered to	1
P1.6	Develop and test Disaster Recovery	Disaster recovery including complete server loss must be implemented and tested	1
P2.1	Local/Wide Area Network and Firewall Infrastructure Upgrade	Fix or replace current MPLS link and all edge devices so they are managed by the Shire	2
P2.2	Implement fit-for-purpose Records Management System	Migrate records to SharePoint and train staff on its use. Solution must comply with State regulations	2
P2.3	ICT Asset Management	Implement complete asset management for technology in use	2
P2.4	ICT Staff Training	Dedicate time for ICT staff to learn how to better manage systems and improve outcomes	2
P2.5	Monthly Reporting	Create monthly reports for all measurable items	2
P3.1	Data Cabling Review	Conduct and audit and engage a suitably qualified contractor to carry out rectification	3
P3.2	Update Share Point to Office 365 and redevelop intranet	Migrate functionality into 365 and redevelop widgets as required	3
P3.3	Restructure IT Team to include CCTV, Security, Wi-Fi and Records	These technical areas should be under the direction of IT	3
P3.4	Upgrade the Library database to be available online	Current library system is aged and can be easily moved to a SaaS offering	3
P3.5	Rationalize duplicate software capabilities	Audit functions required by each team and mandate what software is used by the Shire	3
P3.6	Upgrade phone system to integrate with Microsoft Teams	Dramatically reduce costs by moving to a MS Teams or hybrid PBX	3
P3.7	Assess ERP options	Synergy ERP is viewed poorly by parts of the Shire. An assessment of the reasons behind this view is required. Depending on the answer other ERP vendors can be considered	3
P3.8	Rollout Teams/SharePoint Functionality	Migrate corporate files to SharePoint and integrate with Teams	3
P3.9	Disaster Dashboard	Develop an API ingesting dashboard displaying data from various agencies	3

P1.1 - Migrate to Microsoft 365			
Priority:	**PRIORITY 1**	Time Frame:	July 2020
Responsibility:	ICT, External Contractor		
Detail:	As the action that will yield immediate benefits this should be actioned asap. Organisational benefits include: - Resilient hosted email service - Significant reduction in management of onsite mail servers and services - Significant reduction in onsite backup requirements - Improved security and spam/malware filtering - Enables council to leverage new Microsoft 365 technologies - Platform enables future utilisation of Azure Cloud Services Mail migrations can be disruptive if not performed correctly. Technology exists to minimise any inconvenience to end users, but everyone will need to be aware of the change and prepared for the adjustment. The time required to perform the initial mail migration will likely be 20 days as the internet upload speed at Tom Price is a bottleneck. Users will be unaffected during this time. On the day of the final changeover users will need to be aware of the change. Council's file migration will follow in a separate project. The rollout of Teams and user training will follow in a separate project. As Teams is a sophisticated tool its features will need to be activated as people are trained.		
Actions:	1. Audit users and shared mailboxes [Completed] 2. Migrate Exchange data to 365 3. Update users Outlook and phones to use 365 for email 4. Install and train users on MS Teams 5. Migrate files to SharePoint 6. Where possible utilise SharePoint/OneDrive **7. Ensure 365 backup is operational**		
Cost Consideration:	**Capital:** $28,000 Project		**Operational:** $6,000/mth
Measure:	- All users are connecting to 365 for their email - Internal mail servers can be shut down - MS Teams replaces Lync. Lync server is retired - Corporate files are accessed via OneDrive/SharePoint		

shire of Ashburton
reef to range

P1.2 - Consolidate Server Sprawl			
Priority:	**PRIORITY 1**	Time Frame:	April-August 2020
Responsibility:	ICT, External Contractor		
Detail:	A poorly managed environment over time will typically exhibit server sprawl. This is where new virtual machines are created to serve unplanned needs and are then left either unused or un-consolidated or legacy environments are not decommissioned. This commonly leads to a complex web of dependencies that become difficult to unwind without causing disruption. Currently there are over 50 virtual machines for an organisation that should only require on average between 10 and 20. Assessments have been undertaken and a project initiated to decommission unused servers and consolidate the remainder. Much of this consolidation is enabled by the migration of email, files, and the intranet to M365. Also important for success is the purchase of new physical hosts on which these virtual servers will be built. Much of the work to complete this will need to be performed after hours in order to reduce impact on users. The end result will be a manageable group of servers that enable agile changes and dramatically reduces the effort required for maintenance.		
Actions:	1. Audit functions of every server [Completed] 2. Design consolidated environment [Underway] 3. Build new servers 4. Migrate functions and data 5. Test and confirm validity 6. Decommission old servers 7. Ensure backups are operational		
Cost Consideration:	Capital: $18,000 (Project Fees)	Operational: $0	
Measure:	• Less than 20 virtual machines remain • Reduced operational costs • Server functions support business requirements		

P1.3 - Replace and Consolidate Servers and Storage Infrastructure			
Priority:	**PRIORITY 1**	Time Frame:	September 2020
Responsibility:	ICT		
Detail:	The current production server and storage hardware, whilst meeting the current demands, is now end-of-life and this presents a risk to Council. A sensible direction is to migrate all services to the cloud, eliminating the need for on-site servers. The state of data communications in the Shire, combined with the need to continue to run legacy systems makes a comprehensive move to the cloud unviable at this point in time. As such a hybrid approach of a hardware refresh with considered use of cloud services (e.g. M365) is recommended. Two good options present themselves, each with pros and cons. A healthy MPLS network including all sites and the datacentre in Perth are pre-requisites. Option 1 is to utilise the servers in the Perth datacentre run by Telstra. These hosts will need to be upgraded but could host all of the remaining virtual machines post-consolidation (P1.2). Option 2 is to purchase suitable replacement servers and storage infrastructure to be hosted in the Tom Price main office. It is important that Council maintain infrastructure that is supported by the manufacturer warranty to ensure continued business operations. With either option the other end – Perth or Tom Price – can be utilised for disaster recovery. The decision process here needs to be careful and consultative as a poor choice can mean poor outcomes for years.		
Actions:	1. Assess new hardware requirements 2. Plan architecture 3. Purchase 4. Migrate 5. Redeploy old hardware as internal Shire DR 6. Backups and monitoring		
Cost Consideration:	Capital: $250,000 Hardware $50,000 Project Fees	Operational: $0	
Measure:	• Current hardware is upgraded and re-provisioned to DR • New hardware operational • Virtual machines migrated or rebuilt on the new hardware		

P1.4 - Implement Multi-factor Authentication			
Priority:	**PRIORITY 1**	Time Frame:	August 2020
Responsibility:	ICT, External Contractor		
Detail:	As recommended by the Australian Cyber Security Cente as a critical security function multi-factor authentication, or MFA, must be implemented as a priority. Most cyber incursions can be prevented with this single measure. Multi-factor authentications adds an extra level of security to the authentication process by verifying the identity of the user via the means of an SMS code, MFA code or verification request to a smart phone app. Only once the request has been verified by the user is the login authorised. Note that MFA will be enabled by M365, and as such will not be available until after the email migration is completed. Important to note is that MFA requires access to a mobile phone for SMS codes to be sent to or for the Authenticator app to be installed for each user. Palo Alto MFA xxxxx		
Actions:	1. Ensure users have access to mobile phone 2. Enforce MFA in M365 3. Ensure end-users complete the setup and have access to systems 4. Lock down user access e.g. impossible travel, geo-blocks, etc		
Cost Consideration:	Capital: $0	Operational: $0	
Measure:	• All users have MFA enforced on their M365 account		

P1.5 - Develop and Implement Cyber Security Posture

Priority:	**PRIORITY 1**	Time Frame:	July-September 2020
Responsibility:	ICT, External Contractor		

Detail:	Council is exposed to external actors with malicious intent.
	Security Information and Event Management (SIEM) is a solution that aggregates and analyses activity from many different resources across the entire IT infrastructure. A SIEM tool needs to be deployed to all relevant corporate assets and 24-hour remediation of any incursion attempts.
	Council should develop security policies to comply with ISO 27002 and NIST if possible. Also the WA government has guidelines that should be directly complied with and frequently updated.
	As the SIEM solution requires 24-hour monitoring and external contractor will need to be engaged to supply this service.
	Security Theatre must be avoided.
Actions:	1. Install and configure SIEM 2. Ingest logs from Azure AD, UTM, local AD, core switches, servers, etc 3. Engage 24x7 monitoring of SIEM 4. Respond to incursions 5. Report on incursions
Cost Consideration:	Capital: $15,000 - $25,000 Operational: $5,000/mth
Measure:	• Compliance with the recommendations in ISO 27002 and NIST • Compliance with WA state government security guidelines • Active threat monitoring • Continuous vulnerability testing • Continuous penetration testing • Active 24x7x365 SIEM service • Annual 3rd party security audit • Organisational security policies in place

P1.6 - Develop and Test Disaster Recovery

Priority:	**PRIORITY 1**	Time Frame:	October 2020
Responsibility:	ICT, External Contractor		

Detail:	Essential for business continuity is a disaster recovery plan for all corporate technology. Just as critical is the speed with which the disaster solution can be stood up. This speed is dependent on the architecture of the DR site. Regular testing provides confirmation of the expected downtime in a disaster and proves that the recovery function is fully capable.
	Option 1 is to use old server equipment from P1.3 at a location in the Shire, but as far away as possible in order to minimise the chance that a natural disaster affects both sites. Virtual machine replication will continuously copy data to the DR equipment, until there is a disaster.
	Option 2 is to utilize a Perth datacentre directly connected to the MPLS to co-locate server equipment onto which all corporate systems are replicated – similar to Option 1.
	Option 3 is to utilise an IaaS cloud provider such as Microsoft Azure, to which data can be replicated on a schedule. With Azure we can locate the replicated systems in a region unlikely to be affected by the same disaster, such as Sydney.

Actions:	1. Decide on risk aversion vs cost. Option 1 is the riskiest and least expensive. Option 3 is the lowest risk and most expensive. Option 2 is in the middle. 2. Deploy replications 3. Test replication stand-up time 4. Confirm access to corporate systems and data

Cost Consideration:	Capital: $0	Operational: $5,000/mth for option 3

Measure:	• Testing will prove that all the systems in Tom Price can be offline, but employees can still access systems and transact as necessary

P2.1 - Local/Wide Area Network and Firewall Infrastructure Upgrade

Priority:	PRIORITY 2	Time Frame:	July-September 2020

Responsibility:	ICT, External Contractor

Detail:	The current arrangement with Telstra see's significant cost incurred and there are several concerns regarding performance of the arrangement. A review of the current arrangement should be undertaken with a view to:

- Verifying the solution is fit for purpose
- Review of the key deliverables and contract performance
- Cost benefit analysis against alternate providers

Upon completion of the review, Council should consider the findings in comparison to what can be offered by competitors in the market.

A critical aspect of the final network design that Council should consider, is that the Shire owns and has full control of all network devices. This will enable planning for spare devices and an internal ability to rectify local failures – no need to rely on a third party for activities that can be undertaken in-house in a more efficient manner.

Actions:	1. Review scope of current Telstra Agreement
	2. Assess performance and technical deliverables of the Telstra proposal
	3. Review the market for alternate service offerings
	4. Select preferred solution and project manage the migration

Cost Consideration:	Capital: $60,000	Operational: $18,000/mth

Measure:	

- All sites are connected to a single network with suitable bandwidth
- Significant cost savings achieved over current commitment
- Monitoring and logging of all links and network devices

P2.2 - Implement fit-for-purpose Records Management System			
Priority:	**PRIORITY 2**	Time Frame:	February 2021
Responsibility:	ICT, External Contractor		
Detail:	The current records management system is difficult to use and not fit-for-purpose. Microsoft SharePoint comes with M365 and provides all the functionality required for records to be compliant. There are add-ons that make SharePoint compliant with records legislation whilst maintaining a simple to use end user environment. An example of such is Avepoint. A decision will need to be made about the best way to digitise the current paper records. Option 1 is to contract a provider who will take all the records and digitise them for the Shire. Option 2 is to employ several people to scan, OCR, and categorise the archives. Option 1 would be the fastest option whilst option 2 would be slower, but presents the opportunity of employing locally.		
Actions:	1. Establish project to digitise current archived paper records 2. Design document structure 3. Migrate records to preferred solution 4. Train Records team on how to use the preferred solution 5. Implement business process documentation to support the organisations records management requirements. 6. Train staff on how to manage incoming documents and find documents they need		
Cost Consideration:	Capital: heavily dependent on solution	Operational: dependent on solution	
Measure:	• Compliant records management system is in use • Records team trained and are suitably skilled • Records team actively managing records in the preferred system • Staff know how to pass incoming documents to Records team		

P2.3 - ICT Asset Management			
Priority:	**PRIORITY 2**	Time Frame:	December 2020
Responsibility:	ICT		

Detail:	Asset management is an easy task to solve but requires sustained effort to maintain. Council will benefit from having a complete accounting of all assets including their value and location. These asset classes are a minimum: • Personal computers, phones, pads • Servers • Software • Telecom accounts • Networking equipment • Cables, including what's plugged in to what • Wireless equipment • AV equipment Currently in SharePoint. Needs audit.
Actions:	1. Select an asset management tool 2. Audit all assets 3. Keep details updated
Cost Consideration:	Capital: $- ⎪ Operational: $200 – 1,500 /month Dependent on solution
Measure:	• All IT assets are recorded and categorised • All IT assets are depreciated correctly • The location of all IT assets is known • Asset reports can be generated at any time

P2.4 - ICT Staff Development			
Priority:	**PRIORITY 2**	Time Frame:	November 2020
Responsibility:	ICT		
Detail:	The current IT staff will benefit greatly from a carefully chosen but sustained effort to upskill. These are the currently sensible choices of subjects: • Networking – Routing, MPLS, BGP, VRRP, VPNs, DNSSEC • Virtualisation – HyperV, Docker, Kubernetes • Cloud – Azure eLearning sites such as PluralSight can be good for learning technology subjects. Some of the important Microsoft courses are best learnt in a classroom environment and they often can sit exams to achieve competencies. Such directives to encourage career learning will usually improve staff retention and can be an incentive for potential new staff.		
Actions:	1. Allocate budget for ICT staff development 2. Allocate business hours' time for relevant staff to dedicate to development Strategically select relevant training/course material		
Cost Consideration:	Capital: $0		Operational: $24,000/year (Average of $1,000/staff/month)
Measure:	• IT staff are constantly learning • IT staff can look forward to the next skill • Staff retention improves		

P2.5 - Monthly Reporting

Priority:	PRIORITY 2		Time Frame:	November 2020
Responsibility:	ICT			

Detail:	An automated monthly report of activities and issues in the IT department can be an excellent way to ensure continuous improvement. Such a report should include: • Staff activities for the previous month • Staff utilisation • Tickets actioned and their current status • Project activities • Asset statuses • System uptimes • Outages and their reason • SIEM incidents • Planned improvements • … Reports for most of the above can come from already installed management software such as nCentral, SpiceWorks, and PRTG. The information is these systems can be ingested by a reporting service such as BrightGauge and automatically sent on the 1st of each month. These reports will often evolve as improved metrics are realised.
Actions:	1. Decide on data to be presented 2. Ingest into BrightGauge 3. Improve 4. Return to 1.

Cost Consideration:	Capital: $0	Operational: $500/mth

Measure:	• Monthly reports are generated with selected data • Improvements are designed and implemented as needed

P3.1 - Data Cabling Review			
Priority:	**PRIORITY 3**	Time Frame:	January 2021
Responsibility:	ICT, External Contractor		
Detail:	Cabling Data at the Shire's sites varies in quality. A review should be undertaken to assess which sites are below standard and then an appoint an appropriately licensed contractor to re-cable those locations. The risk of a cabling issue causing difficult-to-debug problems at an entire site a real, if low. Bringing the older locations up to standard is s simple way to remove the chance of such a problem causing an extended site-wide outage.		
Actions:	1. Commission an audit of the cabling at all locations 2. Assess audit and required remediation works 3. Set in place a standard specification for all data and communication cabling 4. Plan to re-cable all sites below standard		
Cost Consideration:	Capital: $15,000 (for the audit) Remediation dependant on findings.	Operational: $0	
Measure:	• Council adopts minimum standard for all data and communications infrastructure • Structured cabling at all sites meets national ACMA standards		

P3.2 - Update SharePoint to Microsoft 365 and Redevelop Intranet			
Priority:	**PRIORITY 3**	Time Frame:	January 2021
Responsibility:	ICT, External Developer		
Detail:	The current intranet site provides functions that are valuable to the Shire. A huge amount of effort has gone into its development over the years. As it is based on a self-hosted and aged version of SharePoint there will need to be significant redevelopment performed in order to duplicate the features on Microsoft's hosted M365 SharePoint. A project should be planned to assess the amount of work required and decide on who/how the new site will be created. Moving this to M365 will further de-risk the Shire by utilising cloud services and having less reliance on on-site server environments.		
Actions:	1. Compile a list of currently used features and their dependencies 2. Source a resource/vendor with appropriate skills to re-develop on M365 3. Manage contracted resource/vendor to completion		
Cost Consideration:	Capital: ~$20,000	Operational: ~$500/mth	
Measure:	• Council's intranet is hosted on M365 • Functionality remains the same or is better		

P3.3 - Restructure IT Team to Include CCTV, Security, Wi-Fi and Records			
Priority:	**PRIORITY 3**	Time Frame:	October 2020
Responsibility:	ICT, Directors		
Detail:	A logical option to consider is to move responsibility for these systems to the IT team: • CCTV systems around the Shire • Security systems at each site • Public Wifi • Point-to-point Wireless links • Records Each of the above has deep dependencies on the IT department, and without direct oversight can easily go in a direction that is unnecessarily complicated and opens opportunity for the duplication of costs for network infrastructure. An example might be the commissioning of public wifi that uses the corporate network instead of a fully partitioned one – opening a massive security risk. Or selection of a Records Management system that is not cloud-based, putting unexpected pressure on internal systems.		
Actions:	1. Consider and discuss if its appropriate for the above listed functions to be directed by IT		
Cost Consideration:	Capital: $0		Operational: $0
Measure:	• The IT team is aware of and can direct the technical choices made by the above listed corporate functions		

P3.4 - Upgrade the Library database to be available online			
Priority:	**PRIORITY 3**	Time Frame:	December 2020
Responsibility:	ICT, Library		
Detail:	The current library system is aging and should be moved to a cloud service. Several good systems exist. Council further de-risks itself by moving this to the cloud.		
Actions:	1. Go to market and assess available solutions 2. Select a suitable cloud system for library management 3. Migrate current system		
Cost Consideration:	Capital:		Operational:
Measure:	• The library system is not hosted locally		

P3.5 - Rationalize duplicate software capabilities			
Priority:	**PRIORITY 3**	Time Frame:	October 2020
Responsibility:	ICT, All Departments		
Detail:	As there is a serious proliferation of software products in use by the Shire a project should be commissioned to document the requirements for each department and mandate the software they will use. A strong preference for cloud software must be encouraged as this de-risks the Shire and simplifies the IT infrastructure required for efficient operations. Cloud products also reduce the disaster recovery requirements in P1.6. There will be occasions when new requirements arise that need different software. Careful consideration should be given, and scrutiny applied to any new software before being officially mandated for use.		
Actions:	1. Assign a consultant resource to gather requirements from each department 2. Workshop consolidated solutions with each department leader 3. Mandate the selected products as the only ones to be used 4. Migrate to new products where necessary 5. Decommission old products 6. Review mandated products as needed		
Cost Consideration:	Capital: $10,000 (consultant)	Operational: $-	
Measure:	• Reduction in the number of software products being used across the Shire • Non-mandated products are forbidden		

P3.6 - Upgrade phone system to integrate with Microsoft Teams

Priority:	PRIORITY 3	Time Frame:	March 2021

Responsibility:	ICT, External Contractor

Detail:	The current phone system, whilst functional, is expensive, old technology, and rigid. Microsoft Teams can provide a flexible hybrid on-prem and hosted PBX that will scale easily with the Shire. The result will be a communications system that utilises current technology whilst supporting collaboration both internal and external to the organisation.

Actions:	1. Review Council voice communication requirements 2. Employ a consultant/vendor to design and plan the solution 3. Pre-configure and test the environment thoroughly 4. Migrate and go-live

Cost Consideration:	Capital: $60,000	Operational: $4,000/mth

Measure:	• Current PBX is decommissioned • Microsoft Teams compatible solution in place.

P3.7 - Assess ERP Options				
Priority:	**PRIORITY 3**		Time Frame:	July 2021
Responsibility:	All Departments			
Detail:	As there is much dissatisfaction with Synergy it would be prudent to commission a review to understand the underlying reasons. It may very well be that Synergy is completely capable and Council may be unaware of certain functionality or staff training may be a problem. Council should assess all options carefully and make a formal recommendation. This is a long-term and possibly disruptive exercise. Clear endorsement from all directors will be critical for its success.			
Actions:	1. Commission a review of the current ERP system 2. Establish formal recommendation 3. Implement findings of the formal recommendation 4. Council ERP system delivering operational requirements			
Cost Consideration:	Capital: $-		Operational: $-	
Measure:	• An ERP system is in use that efficiently processes all council operational requirements			

P3.8 - Rollout Teams/SharePoint Functionality			
Priority:	**PRIORITY 3**	Time Frame:	March 2021
Responsibility:	ICT, All Departments		
Detail:	The collaborative solution made up of Microsoft Teams, OneDrive, and SharePoint is compelling. Server based files can be moved to SharePoint and accessed from anywhere. Teams can be the focal point for organisational collaborating and seamless file access. OneDrive is the wrapper for SharePoint that keeps files accessible from personal computers. A dedicated project to assess the value of this move, and ultimately manage the migration will take some time to complete. But the final result will enhance the Shire's agility and further de-risk.		
Actions:	1. Consult with all departments about file structure 2. Consult with all departments about team membership 3. Train users to utilise Teams functionality 4. Adjust file access on all relevant devices to be via SharePoint 5. Migrate files to SharePoint 6. Setup local shares for legacy systems		
Cost Consideration:	Capital: $-	Operational: $-	
Measure:	• Shire files are accessed via Teams/OneDrive/SharePoint • Only legacy systems access file shares		

P3.9 – Disaster Dashboard			
Priority:	**PRIORITY 3**	Time Frame:	March 2021
Responsibility:	ICT		
Detail:	The		
Actions:			
Cost Consideration:	Capital: $-	Operational: $-	
Measure:	• shares		

Roadmap with Budget Consideration

	Action Item	2020		2021			
		Q3	Q4	Q1	Q2	Q3	Q4
P1.1	Migrate to Microsoft 365	$ 28,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
P1.2	Consolidate Server Sprawl	$ 18,000					
P1.3	Replace and consolidate servers and storage infrastructure	$ 250,000	$ 50,000				
P1.4	Implement Multi-factor Authentication		$ -				
P1.5	Develop and Implement Cyber Security Posture		$ 20,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
P1.6	Develop and test Disaster Recovery		$ 5,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
P2.1	Local/Wide Area Network and Firewall Infrastructure Upgrade		$ 60,000	$ 54,000	$ 54,000	$ 54,000	$ 54,000
P2.2	Implement fit-for-purpose Records Management System			$ 20,000	$ 4,500	$ 4,500	$ 4,500
P2.3	ICT Asset Management			$ 3,000	$ 3,000	$ 3,000	$ 3,000
P2.4	ICT Staff Training		$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
P2.5	Monthly Reporting		$ 5,000	$ 1,500	$ 1,500	$ 1,500	$ 1,500
P3.1	Data Cabling Review			$ 15,000			
P3.2	Update Share Point to Office 365 and redevelop intranet						
P3.3	Restructure IT Team to include CCTV, Security, Wi-Fi and Records		$ -				
P3.4	Upgrade the Library database to be available online		??				
P3.5	Rationalize duplicate software capabilities		$ 10,000				
P3.6	Upgrade phone system to integrate with Microsoft Teams				$ 60,000	$ 12,000	$ 12,000
P3.7	Assess ERP options					??	
P3.8	Rollout Teams/SharePoint Functionality			$ -			
	Quarterly Total	$ 296,000	$ 174,000	$ 147,500	$ 177,000	$ 129,000	$ 129,000

	Startup Project Cost
	Monthly Cost

SHIRE OF ASHBURTON

Regulation 17 Review
August 2020

T +61 (8) 9780 7555
F +61 (8) 9721 8982

E amd@amdonline.com.au
www.amdonline.com.au

AMD Audit & Assurance Pty Ltd
ACN 145 719 259 t/a AMD

Unit 1, 28-30 Wellington Street,
Bunbury, WA 6230
PO Box 1306, Bunbury, WA 6231

28 August 2020

Mr Kenn Donohoe
Chief Executive Officer
Shire of Ashburton
PO Box 567
TOM PRICE WA 6751

Dear Kenn

2020 REGULATION 17 REVIEW

We are pleased to present the findings and recommendations resulting from our Shire of Ashburton (the "Shire") Local Government (Audit) Regulations 1996, 2020 Regulation 17 Review.

This report relates only to procedures and items specified within our Proposal dated 27 March 2020 and does not extend to any financial report of the Shire. Please note that as a result of COVID 19, and as agreed prior to submitting our proposal in March 2020, we conducted our Regulation 17 review remotely.

This is not our usual approach, whereby we normally visit a Local Government on site for 3 to 5 days to conduct a Regulation 17 review.

We acknowledge the efforts made by Danielle and the team at the Shire of Ashburton for the significant amount of information including policies, procedures, documents and reports provided to us electronically following our information request. Where any requested information had not been made available to us by 31 July 2020, we have drawn attention to this within sections 2 to 4 of our report, noted as a "Limitation of Scope".

We would like to thank Danielle and the team at the Shire of Ashburton for their co-operation and assistance whilst conducting our review offsite.

Should there be matters outlined in our report requiring clarification or any other matters relating to our review, please do not hesitate to contact me.

Yours sincerely
AMD Chartered Accountants

TIM PARTRIDGE FCA
Director

Independent Member of

BKR
INTERNATIONAL

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Table of Contents

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to review, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the Shire of Ashburton management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with Shire of Ashburton. The review findings expressed in this report have been formed on the above basis.

Third party reliance

This report was prepared solely for the purpose set out in this report and for the internal use of the management of Shire of Ashburton. This report is solely for the purpose set out in the 'Scope and Approach' of this report and for Shire of Ashburton's information, and is not to be used for any other purpose or distributed to any other party without AMD's prior written consent. This review report has been prepared at the request of the Shire of Ashburton's Chief Executive Officer or its delegate in connection with our engagement to perform the review as detailed in the Proposal dated 27 March 2020. Other than our responsibility to the Council and management of Shire of Ashburton, neither AMD nor any member or employee of AMD undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the Shire of Ashburton's external auditor, on this review report. Any reliance placed is that party's sole responsibility.

1. Executive Summary

1.1. Background and Objectives

In accordance with our Proposal dated 27 March 2020, we have undertaken a review of the appropriateness and effectiveness of risk management, internal controls and legislative compliance at the Shire, in accordance with the Local Government (Audit) Regulations 1996, Regulation 17 for the period ended 30 June 2020 (the "review").

Our findings included within this report are based on review work completed by us to 31 July 2020.

1.2. Limitation of Scope

Limitations of scope, relating to information requested by us and not provided as at 31 July 2020 for each of the focus areas are detailed in sections 2 to 4 of this report.

1.3. Summary of Findings

The procedures performed and our findings on each of the focus areas are detailed in the following sections of the report:

- Section 2 – Risk management;
- Section 3 – Internal controls; and
- Section 4 – Legislative compliance.

Following the completion of our review and with exception to the recommendations outlined within sections 2 to 4, we consider the Shire's overall internal control environment, policies, procedures and processes in place are appropriate, and have been operating effectively at the time of the review.

Findings reported by us are on an exceptions basis, and do not take into account the many focus areas tested during our review where policies, procedures and processes were deemed to be appropriate and in accordance with best practice.

The following tables provide a summary of the findings raised in this report:

Significant Risk	Moderate Risk	Minor Risk
Number of new issues reported	3	3	5

For details on the review rating criteria, please refer to Section 5.

Ref	Issue	Risk Rating
Risk management		
2.3.1	**Risk Register** The Shire's risk register was last updated in April 2019, however has not subsequently been reviewed or updated.	**Significant**
2.3.2	**Tendering** No formal risk assessment process conducted prior to tendering, no formal post tender/ project reviews; and tender opening of submission for RFT 06.19 was only undertaken by one person, as opposed to Shire guideline requiring two people.	**Significant**
2.3.3	**Contract Management** No Contract Manager in place to oversee overall contract risk at an organisational level.	**Moderate**
2.3.4	**Risk Management Policies and Procedures** No documented policies and procedures in place in respect to events management. We also identified one procedure and 3 plans which are potentially outdated and may require review.	**Moderate**
Internal controls		
3.3.1	**Non-compliance with Local Government Act** October and December 2019 Monthly Statements of Financial Activity were not presented to Council.	**Significant**
3.3.2	**Fuel Card/Fuel Usage** The Shire does not have a fuel cardholder register, or fuel usage policy in place. In addition, Shire Vehicle fuel usage is currently not monitored, via a GPS navigational system or by other means.	**Moderate**
3.3.3	**Independent Review** Fixed asset end of month reconciliations not evidenced to indicate subject to independent review.	**Minor**
3.3.4	**Non-compliance with Purchasing Policy** Two instances whereby purchase orders were dated after the invoice date.	**Minor**
3.3.5	**Directive Information and Communications Technology Policy** Directive Information and Communications Technology Policy may require review.	**Minor**
Legislative compliance		
4.3.1	**Internal Audit** There is currently no internal audit function in place.	**Minor**
4.3.2	**Complaints Handling Procedure** Outdated Complaints Handling Procedure which require review.	**Minor**

The above summary of findings does not take into account areas not assessed by us due to limitation of Scope, as noted within Sections 2.2, 3.2 and 4.2 of this report.

Page 122

2. Risk management

2.1. Scope and approach

In accordance the proposal dated 27 March 2020, our review examined the following areas:

- Whether the Local Government has an effective risk management system and that material operating risks to the Local Government are appropriately considered;
- Whether the Local Government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- The internal processes for determining and managing material operating risks in accordance with the Local Government's identified tolerance for risk, particularly in the following areas:
  - Potential non-compliance with legislation, regulations and standards and local government's policies;
  - Important accounting judgements or estimates that prove to be wrong;
  - Litigation and claims;
  - Misconduct, fraud and theft; and
  - Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational heal and safety, and how they are managed by the local government;
- Regular risk reports presented to the Audit Committee/Council, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Adequacy of the Local Government processes to manage insurable risks and ensured the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Effectiveness of the Local Government's internal control system with management and the internal and external auditors;
- Whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- The Local Government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;
- Audit Committee meeting practices ensuring periodically meeting with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and
- Ascertained whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.
- Ascertain the effectiveness of monitoring, reporting and communication surrounding risk management;
- Assess the extent and adequacy of risk reports provided to the Audit Committee, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported; and
- Assess the effectiveness of the Shire's internal control system.

2.2. Limitations of scope

The table below summarises the information not provided to us by the Shire as at 31 July 2020 as part of our risk management testing, and we note the associated limitations on scope:

No.	Information not provided/ Areas not assessed by AMD
1	Whistle-blower Policy and Procedure
2	Litigation and Claims Policies and Procedure
3	Environmental Risk Policies and Procedure
4	Council's process for community consultation
5	Supporting information and documentation for lease samples selected for testing – 1. Chevron Australia – Wheatstone Central Environment; 2. Virgin Pty Ltd; 3. Northwest Aviation Service Pty Ltd; 4. Ashburton Women Football; 5. Fortescue National Football League (FNFL); and 6. Mountain View Sporting Club.
6	Supporting documentation and reports to verify intended testing of Council's Business Continuity Plan's and review of its effectiveness.
7	Council's signature specimen
8	Conflict of Interest Register
9	Documented Contract Management Framework
10	Documented Contract Risk Management Framework
11	Supporting information and documentation for contract samples selected for testing – 1. Provision of Onslow Airport Security Screening Services (Aerodome Management); 2. Provision of Services for Pest Management for Facilities and Houses SoA (Rentokill); and 3. Provision of Maintenance, Repairs & Maintenance of Water Supply (Water2Water Pty Ltd).

Management Comment

Officers recommend policy development being undertaken where required as well as for those remaining areas not assessed to be included in the proposed upcoming internal audit. A report updating the ARMC will be prepared and presented for the December 2020 meeting.

2.3. Detailed findings and recommendations

2.3.1. Risk Register
Finding Rating: Significant

We noted that the Shire's risk register was last updated in April 2019, and has not been subsequently reviewed or updated.

Implications/Risks
Risks are not identified and mitigated accordingly.

Recommendation
We recommend the Shire monitor and review the risk register on a regular basis to ensure the register is up to date, and should integrate with Council's approved Risk Management Framework policies and procedures.

Management Comment
Review of Shire's risk register to be undertaken and presented at the 15 December 2020 Audit and Risk Management Committee meeting with quarterly updates to follow.

Also the recent organisation restructure has created an organisational risk officer position to specifically review this risk management area.

Lastly ongoing education and training with officers will implement standardised documentation and ensure updated registers are maintained.

Responsible Officer: Manager Governance (Director Corporate Services for review)

Completion Date: 15 December 2020

2.3.2. Tendering
Finding Rating: Significant

Our sample testing of tenders and review of the process undertaken by the Shire identified the following:

- No formal risk assessment prior to tendering;
- There is no formal process for post tender/ project reviews; and
- Only one person was present during the tender opening of submission for RFT 06.19, whereby two people are required per the Shire's tendering guidelines.

Implications/Risks

- Lack of evidence in respect of risk assessment completed prior to tendering process.
- Non-compliance with the Shire's tendering guideline.

Recommendation

We recommend the following:

- A formal risk assessment process be developed to ensure risks are documented and considered when drafting the "Request for Tender" documentation;
- A formal post tender/ project review process be developed particularly for larger value tenders or tenders considered to relate to high risk projects; and
- Ensure two people are present during the opening of submissions for tender.

Management Comment

A formal risk assessment is usually undertaken by the project officer. The newly created Project Control Group has now introduced business cases as a requirement when projects are submitted for budget consideration. These business cases incorporate risk assessments for tendering purposes.

Further to this the business cases can be developed to incorporate a post tender / project review.

A review of Shire documentation indicates RFT 06.19 did in fact have two persons present at the tender opening – this finding is disputed.

Lastly ongoing education and training with Shire officers will seek to implement standardised documentation and ensure processes are maintained as required.

Responsible Officer: Senior Procurement Officer (Director Projects & Procurement for review)

Completion Date: 15 December 2020

2.3.3. Contract Management
Finding Rating: Moderate

Our discussions with management identified that there is currently no dedicated contract manager to oversee contract risks.

Implications/Risks
Risk that overall organisational contract risks are not identified, assessed and appropriately managed throughout the contract.

Recommendation
We recommend a dedicated contract manager be considered, or this role be assigned to an individual to ensure all organisational contract risks are identified, assessed, and appropriately managed.

Management Comment
The Shire does not have a dedicated contract manager position now that the recent organisation restructure has been implemented. There is however a risk management officer position that will incorporate contract risk management as one of its oversight tasks.

More specifically contract risk is handled by project officers usually via outsourcing to external parties and / or contractors.

Responsible Officer: Coordinator Organisational Risk (Director Corporate Services for review)

Completion Date: 15 December 2020

2.3.4.   Risk Management Policies and Procedures
Finding Rating: Moderate

While completing a review of the Shire's internal risk management policies and procedures, we noted:

a)   <u>No Policy or Procedure</u>
      The following Shire practices are not documented or addressed within existing policies or procedures:
      - Event's Management policy and procedure.

b)   <u>Potential Out of Date Documents</u>
      The following policies, procedures and/or plans are potentially out of date and may require review:

Document	Last Revision Date
Public Interest Procedure	August 2017
Inland Local Recovery Plan	October 2016
Bushfire Management Plan	July 2015
Business Continuity Plan	July 2017

Implications/Risks
Lack of policies and/or procedures evidencing specific risks to the Shire. In addition, out dated policies and procedures may not reflect the actual practices followed by Shire representatives.

Recommendation
We recommend the following:
- Policies and procedures be developed and implemented for those identified areas of risk highlighted at (A) above.
- Those potentially out of date policies and procedures identified at (B) above, be reviewed and updated accordingly.

Management Comment
Council Policy reviews are now monthly to coincide with Ordinary Council Meetings. The identified policies above can be prioritised for creation and review.

Responsible Officer: Manager Governance (Director Corporate Services for review)

Completion Date: 15 December 2020

3. Internal controls

3.1. Scope and approach

In accordance the proposal dated 27 March 2020, our review examined the following areas:

- Segregation of roles and functions, processing and authorisation controls;
- Delegations of authority (completeness and adherence);
- Documented policies and procedures;
- The effectiveness of policy and process reviews;
- Approval of documents, letters and financial records;
- Management internal reviews undertaken in respect to comparison of internal data with external sources of information;
- The adequacy of internal controls;
- Security controls in respect to physical access to assets and records;
- Security controls in respect to computer applications and information systems (general and application IT controls);
- Access limits placed on data files and systems;
- Whether the maintenance and review of financial control accounts and trial balances is regular and appropriate;
- Key management internal reviews undertaken in respect to comparison and analysis of financial results with budgeted amounts;
- Key management internal reviews undertaken in respect to the arithmetical accuracy and content of records;
- Controls in respect to purchasing and payment of accounts;
- Effectiveness of the training and development plan for staff and elected members; and
- Reporting, review and approval of financial payment and reconciliations; and
- Physical cash and inventory count records when compared to accounting records.

3.2. Limitations of scope

The table below summarises the information not provided to us by the Shire by 31 July 2020 as part of our internal controls testing, and we note the associated limitations on scope:

No.	Information not provided/ Areas not assessed by AMD
1	Supporting information and documentation for End of Month Key Balance Sheet Accounts samples selected for testing – 1. Creditors; 2. Rates debtors and valuations; 3. Municipal Bank Accounts; 4. Reserve Bank Accounts; 5. Investment Bank Accounts; and 6. Trust Bank Accounts.
2	Blueforce contract
3	Supporting information and documentation for general journal samples selected for testing.
4	Inventory stocktake records
5	Information Technology: Formal policy/procedure in place to evidence the following: 1. Password requirements; 2. Used of online/cloud document sharing, and used of USBs; 3. Server and data backup; 4. Bring your own device; 5. IT Disaster Recovery Plan; 6. User Satisfaction Survey; and 7. IT Training

Management Comment

Some of the areas of internal control not assessed are dealt with by the Shires external auditors. Officers recommend those remaining areas not assessed to be included in the proposed upcoming internal audit. A report updating the ARMC will be prepared and presented for the December 2020 meeting.

3.3. Detailed findings and recommendations

3.3.1 Non-Compliance with Local Government Act 1995 and Regulation 1996
Finding Rating: Moderate

As required by Section 34(4)(a)&(b) of the *Local Government (Financial Management) Regulations 1996* - a statement of financial activity, and the accompanying documents are to be presented at an ordinary meeting of the council within 2 months after end of month to which the statement relates and recorded in minutes of the meeting at which it is presented.

We noted that the Shire has not presented the Statement of Financial Activity for the month of October 2019 to Council.

Implications/Risks

Non-compliance with Section 34(4)(a)&(b) of the *Local Government (Financial Management) Regulations 1996.*

Recommendation

We recommend in accordance with Section 34(4)(a)&(b) of the *Local Government Act 1995,* Monthly Statement of Financial Activity be presented to Council within 2 months after end of month to which the statement relates to.

Management Comment

The Shire acknowledges that the October Statement of Financial Activity was omitted from the report that was presented to December 2019. It should have been presented with the November report and as such was an oversight.

Given that Council Meetings occur relatively early in the month, the Shire has acknowledged that it is not possible to finalise the monthly Statement of Financial Activity in time for the agenda close. Therefore it is now presenting each monthly statement to the Council Meeting 60 days in arrears (i.e. February report presented to April meeting, March report to May meeting etc.)

Responsible Officer: Manager Finance and Administration (Director Corporate Services for review).

Completion Date: Completed

3.3.2 Fuel Card/Fuel Usage
Finding Rating: Moderate

The Shire does not currently have a fuel cardholder register and fuel usage policy in place.

Furthermore, fuel usage by motor vehicles is not currently monitored, either via analyse of mileage against fuel purchased, excessive travel (outside of set perimeters) or via a GPS navigational system.

Implications/Risks
Risk Shire assets are used for unauthorised personal use and/or purchasing fuel using the Shire's fuel card/fuelling up at the Depot for their own personal assets.

Recommendation
We recommend:
- Development and implementation of fuel cardholder register and fuel usage policy.
- The Shire investigate options to monitor motor vehicle fuel usage, either via analysis of mileage against fuel purchased on the possibility of purchasing a GPS navigational system to assist with the monthly analysis. A GPS navigational system may also assist in for ensuring the safety of employees, providing the Shire with the ability to locate the asset in an emergency and the employees' ability for the employee to set off the duress if they find themselves in an emergency situation.

Management Comment
- Shire fuel cards are allocated to plant / motor vehicles not employees and a register can be implemented.
- A policy is not currently in place as staff are usually inducted on the correct use of the cards and their responsibilities when commencing employment with the Shire.
- The Shire has a procedure incorporated into CEO Directive EMP-08.
- Fuel usage is currently monitored for motor vehicles via fuel consumed vs. km's traveled whereas plant is via fuel consumed vs. engine hours
- All fuel consumed and km / engine hours readings are now being captured in Fleet Mex - this software is relatively new - with data input since Feb 2020 detailed reports are now available.
- The Shire has GPS monitoring of remote operational vehicles and it is planned to investigate expanding this across the entire fleet.

Responsible Officer: Fleet Manager (Director Corporate Services for Review)

Completion Date: Report to 15 December 2020 Compliance and Risk Management Committee with ongoing quarterly reporting**.**

3.3.3   Independent Review
Finding Rating: Minor

Our testing of the month end reconciliation procedures identified the following:
- There was no evidence of independent review in relation to the reconciliation of Fixed Assets, including accounting for asset additions, disposals and depreciation expense.

Implications/Risks
Without evidence of independent review, there is a risk that errors and omissions are not detected and corrected in a timely manner.

Recommendation
We recommend fixed asset reconciliation be subject to independent review, and be signed off by both the preparer and the independent reviewer as evidence of this review.

Management Comment
Whilst asset reconciliations have been discussed and reviewed, we have not been recording evidence of the review. In future, all reconciliations will be signed-off.

Responsible Officer: Manager Finance & Administration (Director Corporate Services for Review)

Completion Date: September 2020

3.3.4   Non-compliance with Purchasing Policy
Finding Rating: Minor

The following exception was noted from our procurement and payment testing:
- In 2 instances, the purchase order were dated after the supplier invoice.

Implications/Risks
By raising purchase orders after the invoice is received there is an increased risk of unauthorised purchases, and non-compliance with Council's purchasing policy.

Recommendation
We recommend purchase orders are completed for all applicable items prior to incurring the expenditure.

Management Comment
These two instances have been noted and the issue raised with relevant staff and the management group. A review and update of purchasing policy and procedure has brought ot the attention of staff the importance of ensuring all purchases are authorised with purchase orders.

Responsible Officer: Director Projects & Procurement

Completion Date: Ongoing

3.3.5 Directive Information and Communications Technology Policy
Finding Rating: Moderate

While completing a review of the Shire's internal IT policies and procedures, we noted that the Directive Information and Communications Technology Policy has not been subject for review since the approval date in 24 May 2019.

Implications/Risks
Out dated policies and procedures may not reflect the actual practices followed by Shire representatives.

Recommendation
We recommend the Directive Information and Communications Technology Policy be reviewed and updated accordingly.

Management Comment
Council Policy reviews are now monthly to coincide with Ordinary Council Meetings. The identified policy above can be prioritised for review.

Responsible Officer: ICT Specialist (Director Corporate Services for review)

Completion Date: 15 December 2020

4. Legislative compliance

4.1 Scope and approach

In accordance the proposal dated 27 March 2020, our review examined the following areas:

- Internal monitoring of compliance with legislation and regulations;
- The Local Government's ability to stay informed regarding legislative changes;
- The Local Government's completion of the annual Compliance Audit Return and reporting the results of that review to the Audit Committee and Council;
- The monitoring of the Local Government's structured guidelines that detail the Local Government's processes for meeting statutory obligations (compliance frameworks);
- Communications between key management and the Audit Committee to ensure the Audit Committee is informed in respect to the effectiveness of the Local Government's compliance and recommendations for changes as required;
- The Local Government's procedures in respect to receiving, retaining and handling complaints, including confidential and anonymous employee complaints;
- Key managements internal review processes in respect to the identification of adverse trends and management plans to address these;
- Management disclosures in financial reports of the effect of significant compliance issues (if any);
- The internal and / or external audit contracts include an assessment of compliance and ethics risks in the development of the audit plan and in the conduct of audit projects, and report compliance and ethical issues to the Audit Committee; and
- The Audit Committee's processes and procedures in respect to compliance with legislative and regulatory compliance ensuring no misuse of position through adequate disclosure of conflicts of interest.

4.2 Limitations of scope

The table below summarises the information not provided to us by the Shire and the associated limitations on scope:

No.	Information not provided / Areas not assessed by AMD
1	Complaints Register

Management Comment

Officers will need to develop a complaints register and its review can be included in the proposed upcoming internal audit. A report updating the ARMC will be prepared and presented for the December 2020 meeting.

4.3 Detailed findings and recommendations

4.3.1 Internal Audit
Finding Rating: Minor

We note that the Shire does not currently have an internal audit function in place.

Implications/Risks
Risk of non-compliance with Department of Local Government, Sport and Cultural Industries Guidelines recommended best practice.

Recommendation
The Department of Department of Local Government, Sport and Cultural Industries guidelines recommend an internal audit function be established incorporating an internal audit program which is re-assessed annually.

Should the Shire consider an internal audit function not be required, we suggest the Audit Committee formally document they have considered the best practice guideline and the reasons they feel it is not necessary.

Management Comment
Officers are seeking to appoint an external auditor at the September 2020 Council meeting.

Responsible Officer: Director Corporate Services

Completion Date: 15 December 2020 with ongoing quarterly reporting to Audit and Risk Management Committee.

4.3.2 Complaints Handling Procedure
Finding Rating: Minor

While competing a review of the Shire's internal legislative compliance policies and procedures, we noted the Complaints Handling Procedure has not been subject for review since the revision date in September 2017.

Implications/Risks
Out dated policies and procedures may not reflect the actual practices followed by Shire representatives.

Recommendation
We recommend the Complaints Handling Procedure be reviewed and updated accordingly.

Management Comment
Customer Service project has been identified to review the customer service charter, identification of appropriate software to manage requests plus interactions with customers and reporting.

Responsible Officer: Manager Governance (Director Corporate Services for review)

Completion Date: July 2021

5. Guidance on Risk Assessment

Risk is uncertainty about an outcome. It is the threat that an event, action or non-action could affect an organisation's ability to achieve its business objectives and execute its strategies successfully. Risk is an inherent component of all service activities and includes positive as well as negative impacts. As a result not pursuing an opportunity can also be risky. Risk types take many forms – business, economic, regulatory, investment, market, and social, just to name a few.

Risk management involves the identification, assessment, treatment and ongoing monitoring of the risks and controls impacting the organisation. The purpose of risk management is not to avoid or eliminate all risks. It is about making informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of an organisation's objectives by maximising opportunities and minimising adverse effects.

Our guidance to risk classification in accordance with Risk Management- Principles and Guidelines Standard AS / NZS ISO 31000-2018 is as follows:

Risk is the probability that an event or action may adversely affect the organisation. Risk is assessed based on the relationship between consequence and likelihood.

- Likelihood is the chance that the event may occur given knowledge of the organisation and its environment.
- Consequence is the severity of the impact that would result if the event were to occur.

Our risk rating for each finding was based on the following table:

		CONSEQUENCES		
		Insignificant	Significant	Highly Significant
LIKELIHOOD	Minor	Minor	Moderate	Moderate
	Medium	Minor	Moderate	Significant
	High	Minor	Significant	Significant