



**Shire of Ashburton**

**Audit and Risk Management Committee Meeting**

**Attachments**

**Council Chambers, Onslow Shire Complex, Second  
Avenue, Onslow**

**10 May 2022**

**8:30am**

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## 5.1A - Confirmation of previous meetings – 8 March 2022



**Shire of Ashburton**  
**Audit and Risk Management Committee Meeting**  
**Unconfirmed Minutes**  
**Public**

**Ashburton Hall, Ashburton Avenue,  
Paraburdoo**

**8 March 2022**

**9:30am**



**Shire of Ashburton  
Audit and Risk Management Committee Meeting**

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit and Risk Committee Meeting.

A handwritten signature in blue ink, appearing to read "K Donohoe".

K Donohoe  
Chief Executive Officer  
8 March 2022

These minutes were confirmed by Council as a true and correct records of proceedings of the Audit and Risk management Committee Meeting held on 8 March 2022.

Presiding Member \_\_\_\_\_

Date \_\_\_\_\_

**Disclaimer**

*The Shire of Ashburton warns anyone who has an 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 Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.*

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## **1 Declaration of opening**

The Presiding Member declared the meeting open at 9:33am.

### **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 their elders past, present and emerging.

## **2 Announcement of visitors**

Nil

## **3 Attendance**

### **3.1 Present**

#### Elected members

Cr K White	Shire President (Presiding Member) Onslow Ward
Cr M Lynch	Deputy Shire President, Tom Price Ward
Cr T Mladenovic	Tom Price Ward
Cr L Rumble	Paraburdoo Ward
Cr A Sullivan	Paraburdoo Ward
Cr R de Pledge	Ashburton Ward
Cr J Richardson	Tableland Ward

#### Employees

K Donohoe	Chief Executive Officer
N Cain	Director Corporate Services
T Matson	Director People and Place
M Fanning	Director Infrastructure Services
C McGurk	Director Projects and Procurement
A Lennon	Manager of Media and Communications
N Jeffery	Executive Assistant Corporate Services
A Furfaro	Governance Officer

Guests

Nil

**3.2 Apologies**

Cr A Smith

Tom Price Ward

**3.3 Approved leave of absence**

Cr M Gallanagh

Pannawonica Ward

**4 Declaration by members**

**4.1 Due consideration by Councillors to the agenda**

Councillors noted they have given due consideration to all matters contained in this agenda.

**4.2 Declarations of interest**

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

No declarations of interest have been submitted.

**5 Confirmation of minutes**

**5.1 Confirmation of previous meetings**

Audit and Risk Management Committee Meeting – 14 December 2021

**Attachment 5.1A**



<b>Committee Recommendation</b>	<b>001/2022</b>
<b>Moved</b>	<b>Cr L Rumble</b>
<b>Second</b>	<b>Cr M Lynch</b>
<b>That Council confirm the minutes of the Audit and Risk Committee Meeting held in Council Chambers, Onslow Shire Complex, Second Avenue, Onslow on 14 December 2022 as a true and accurate record, as include in Attachment 5.1A.</b>	
<b>Carried 7/0</b>	

## **6 Terms of Reference**

### **6.1 Purpose**

The Audit Committee's role, in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1996*, is to aid and provide 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.

### **6.2 Responsibilities**

The Audit Committee is responsible for:

- 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.
- 2 Reviewing the CEO's report required under regulation 17(3).
- 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).
- 4 Monitoring Support the Auditor conducting an audit and carrying out the Auditor's other duties under the Act.

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- 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
  - b       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.
  
- 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.
  - c       reviewing the annual Compliance Audit Return,
  - d       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,
  - e       reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's financial management systems and procedures, and
  - f       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 2021 Compliance Audit Return

<b>File reference</b>	GV32
<b>Author's name</b>	N Cain
<b>Author's position</b>	Director Corporate Services
<b>Author's interest</b>	Nil
<b>Authorising officer's name</b>	K Donohoe
<b>Authorising officer's position</b>	Chief Executive Officer
<b>Authorising officer's interest</b>	Nil
<b>Name of applicant / respondent</b>	Not applicable
<b>Date report written</b>	1 March 2022
<b>Previous meeting reference</b>	Not applicable

#### Summary

Council is required to undertake an annual review of the compliance activities of the Shire against those required in the *Local Government Act 1995*.

The 2021 Compliance Audit Return was recently undertaken and completed by an external local government consultant.

Council is requested to adopt the 2021 Compliance Audit Return and authorise the Shire President and Chief Executive Officer to sign and submit the documentation in accordance with the associated provisions.

#### Background

Each year Council is required to undertake an audit against the requirements of a compliance audit return.

The Compliance Audit Return reports on areas of the *Local Government Act 1995* considered to be of a higher risk.

The structure of the Return is like previous years insofar as it focuses on "Yes", "No" and "Not Applicable" responses via a self-audit process, with availability of additional explanation, if required.

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For 2021, the Compliance Audit Return covered eleven (11) categories and comprised ninety-eight (98) sections for assessment.

The categories included –

- Commercial enterprises by local governments
- Delegation of power / duty
- Disclosure of interest
- Disposal of property
- Elections
- Finance
- Integrated planning and reporting
- Local government employees
- Official conduct
- Optional questions
- Tenders for providing goods and services

The Return is to be first considered by Council's Audit and Risk Management Committee, before being adopted by Council.

Upon adoption, the Return is required to be submitted to the Department of Local Government, Sport, and Cultural Industries by 31 March following the year of the review.

The completed 2021 Compliance Audit Return is attached.

**Attachment 7.1A**

**Comment**

The period reviewed for the 2021 Compliance Audit Return is 1 January 2021 to 31 December 2021 and was undertaken by an experienced local government consultant and professional (Mr. Steven Tweedie) in consultation with Shire officers.

The Review was undertaken initially by remote correspondence before an on-site visit occurring on Monday 28 February 2022.

The consultant, after research, interviews, and observing necessary documents and processes, has concluded all ninety-eight (98) sections of the Compliance Audit Return have been met.

Source documents included –

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- minutes of meetings,
- declarations of interest,
- annual and primary returns,
- process and procedure manuals,
- resolutions of Council, and
- public notices,

and were identified via the Record Keeping System (inclusive of Shire officer emails), the Shire official website, and through interviews.

For comparative purposes, the 2020 Compliance Audit Return comprised 102 sections, which the Shire assessed as meeting ninety-seven (97) of those sections (95%).

### **Consultation**

Chief Executive Officer  
Director Corporate Services  
Manager Finance and Administration  
Manager Land and Asset Compliance  
Manager Media and Communications  
A / Senior Procurement Officer  
Shire Officers

### **Statutory environment**

*Local Government (Audit) Regulations 1996*

*Regulation 14 – Compliance audits by local government*

A local government is to carry out a compliance audit, in the provided form, for the period 1 January to 31 December in each year, and have this adopted by Council.

*Local Government (Audit) Regulations 1996*

*Regulation 15 – Compliance audit return, certified copy of etc. to be given to Departmental Chief Executive Officer*

After a Compliance Audit Return has been presented to, and adopted by, Council, a certified copy of the Return, along with a copy of the relevant section of the minutes, is to be submitted to the Departmental Chief Executive Officer by 31 March following the period to which the Return relates.

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**Financial implications**

Costs associated with the engagement of the local government consultant were minor and are included in the Annual Budget.

**Strategic implications**

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

Goal 5 Inspiring Governance  
Objective 3 Council Leadership  
Strategic Direction Council effectively governing the Shire, demonstrating effective governance and Shire leadership.

**Risk management**

Risk has been assessed based on the Officer Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan
If Council did not adopt the Compliance Audit Return before 31 March, then this will result in a non-compliance.	Unlikely (2)	Minor (2)	Low (4)	<u>Compliance</u> Some temporary non-compliances.	Sufficient information is provided so Council can adopt the Compliance Audit Return.

The following Risk Matrix has been applied:

Consequence Likelihood		Risk Matrix				
		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.

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This item has been evaluated against the Shire of Ashburton’s Risk Management Policy CORP5 Risk Matrix.

The perceived level of risk is “low” because of the regulatory nature of Shire operations and established policies, processes, and procedures.

**Policy implications**

There are no known policy implications for this matter.

**Voting requirement**

Simple majority

**Councillor interest declarations**

Nil

**Officer recommendation**

That with respect to the 2021 Compliance Audit Return, and pursuant to the *Local Government (Audit) Regulations 1996*, the Audit and Risk Management Committee recommends Council,

- a Adopts the 2021 Compliance Audit Return for the period 1 January 2021 to 31 December 2021, as included at Attachment 7.1A, and
- b Authorises the Shire President and Chief Executive Officer to sign the joint certification of the completed Compliance Audit Return and submit it along with all other prescribed information to the Department of Local Government, Sport and Cultural Industries by 31 March 2022.

<b>Committee Recommendation</b>	<b>002/2022</b>
<b>Moved</b>	<b>Cr M Lynch</b>
<b>Second</b>	<b>Cr R de Pledge</b>
<b>That with respect to the 2021 Compliance Audit Return, and pursuant to the <i>Local Government (Audit) Regulations 1996</i>, the Audit and Risk Management Committee recommends Council,</b>	
<b>a</b>	<b>Adopts the 2021 Compliance Audit Return for the period 1 January 2021 to 31 December 2021, as included at Attachment 7.1A, and</b>
<b>b</b>	<b>Authorises the Shire President and Chief Executive Officer to sign the joint certification of the completed Compliance Audit Return and submit it along with all other prescribed information to the Department of Local Government, Sport and Cultural Industries by 31 March 2022.</b>
<b>Carried 7/0</b>	



## 7.2 Regulation 17 Review – 2020 Program Status Update

<b>File reference</b>	GV32
<b>Author's name</b>	T Dayman
<b>Author's position</b>	Manager Finance and Administration
<b>Author's interest</b>	Nil
<b>Authorising officer's name</b>	N Cain
<b>Authorising officer's position</b>	Director Corporate Services
<b>Authorising officer's interest</b>	Nil
<b>Name of applicant / respondent</b>	Not Applicable
<b>Date report written</b>	1 March 2022
<b>Previous meeting reference</b>	Agenda item 7.2 (Minute 35/2021) – Audit and Risk Management Committee meeting 14 December 2021

### Summary

This report provides a progress update on the findings of the Chief Executive Officer's review of systems and processes relating to legislative compliance, risk management and internal controls and provides actions to address these issues, as required by Regulation 17 of the *Local Government (Audit) Regulations*.

The Audit and Risk Management Committee is requested to accept the Regulation 17 Review 2020 Program Status update report.

### Background

Regulation 17 of the *Local Government (Audit) Regulations 1996* require the CEO to conduct a review of systems and procedures relating to legislative compliance, risk management and internal controls on a triennial basis.

The Regulation 17 Audit incorporates the requirement under Regulation 5 (2) (c) of the *Local Government (Financial Management) Regulations 1996* which provides the Chief Executive Officer is to: 'Undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once every 3 financial years) and report to the local government the results of those reviews.'

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**Comment**

AMD Chartered Accountants (AMD) was engaged to undertake 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.

ADM Regulation 17 report, including summary of findings, was presented to the Audit and Risk Committee at its September 2020 meeting.

Since its endorsement, a status report presented to the Audit and Risk Committee on the progress of matters raised and Officers comments to address improvement opportunities.

A status update report for the period March 2021 to May 2020 is provided for consideration.

**Identified issue.**

1. Risk Register
2. Contract Management
3. Risk Management Policies and Procedures
5. Complaints Handling Procedure

**1. Risk Register**

The Shire's risk register was last updated in April 2019, however, has not subsequently been reviewed or updated.

Progress Update

Organisation risk training and development of organisational risk register to be undertaken with Council's insurer LGIS. This has not yet been arranged due to competing priorities and limited resources.

**Status update:** ongoing

**Responsible officer:** Manager Governance

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**2. Contract Management**

No Contract Manager in place to oversee overall contract risk at an organisational level.

Progress update

A Senior Manager (Manager Civil Works) is in the process of being appointed to ensure that Civil Works Contracts are scoped, specified, tendered, and managed in a way which reflects relevant standards and industry best practice. Process still to be developed.

Manager Civil and Projects commenced employment in January 2021 and subsequently resigned in March 2021. Offer of employment has been extended to a suitability qualified candidate with an expected start date of 1 July 2021

Manager Civil and Projects has commenced employment.

Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.

**Status update:** ongoing

**Responsible officer:** Director Infrastructure

**5. Complaints Handling Procedure**

Outdated Complaints Handling Procedure which requires review.

Progress update

- Procedure to be developed.
- Online form available on website to be supported with the implementation of an electronic Customer Service Request system.

Procedure has not yet been developed due to competing priorities and limited resources.

The Manager of Legal and Governance commenced in November 2021 and has since resigned, recruitment has commenced.

**Status update:** Ongoing

**Responsible officer:** Manager Governance

## Consultation

Executive Leadership Team  
 Middle Management Team  
 Finance Team

## Statutory environment

*Local Government Act 1995*

Section 5.46. Register of, and records relevant to, delegations to CEO and employees

- (1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.
- (2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.
- (3) A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.

## Financial implications

There are no known financial implications for this matter.

## Strategic implications

Shire of Ashburton Strategic Community Plan 2017-2027 Living Life (2019 Desktop Review)

Goal 05 Inspiring Governance  
 Objective 3 Council leadership+

Desired outcome – Council effectively governing the Shire, demonstrating effective governance and town leadership.

## Risk management

Risk has been assessed based on the Officer Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan
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.

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The following Risk Matrix has been applied:

Consequence Likelihood		Risk Matrix				
		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 low due to the financial controls in place and the regularity of review of the information contained within these reports.

### Policy implications

There are no known policy implications for this matter.

### Voting requirement

Simple majority

### Councillor interest declarations

Nil

### Officer recommendation

That with respect to the Regulation 17 Review – 2020 Program status update, the Audit and Risk Management Committee;

- a Receives the status update;
- b Recommends Council receive the Regulation 17 Review 2020 Program status update; and
- c Requests the Chief Executive Officer provide further updates on the progress of these reviews.

<b>Committee Recommendation</b>	<b>003/2022</b>
<b>Moved</b>	<b>Cr T Mladenovic</b>
<b>Second</b>	<b>Cr J Richardson</b>
<b>That with respect to the Regulation 17 Review – 2020 Program status update, the Audit and Risk Management Committee;</b>	
<b>a</b>	<b>Receives the status update;</b>
<b>b</b>	<b>Recommends Council receive the Regulation 17 Review 2020 Program status update; and</b>
<b>c</b>	<b>Requests the Chief Executive Officer provide further updates on the progress of these reviews.</b>
<b>Carried 7/0</b>	

**7.3 Internal Audit 2021 Status Report**

<b>File reference</b>	GR01
<b>Author's name</b>	T Dayman
<b>Author's position</b>	Manager Finance and Administration
<b>Author's interest</b>	Nil
<b>Authorising officer's name</b>	N Cain
<b>Authorising officer's position</b>	Director Corporate Services
<b>Authorising officer's interest</b>	Nil
<b>Name of applicant / respondent</b>	Not Applicable
<b>Date report written</b>	1 March 2022
<b>Previous meeting reference</b>	Item 7.3 (Minute 36/2021) – Audit and Risk Management Committee 14 December 2021

**Summary**

This report provides a progress update on the findings of the internal audit conducted by Moore Australia that focused on matters identified in the 2019 Financial Management Review, procurement systems and controls, risk management practices, grants application, payments and acquittals, and records management compliance.

The Audit and Risk Management Committee is requested to accept the status report on the findings of the internal audit.

**Background**

To improve the effectiveness of its risk management, governance and control processes, Councillors endorsed the Audit and Risk Management Committee's role in preparing a three-year internal audit plan at the September 2020 Ordinary Meeting of Council. Further, Council acknowledged the Chief Executive Officer was undertaking an internal audit on key areas of concern in accordance with the Chief Executives obligations for the Financial Management Regulations 1996 as amended for the year ended 30 June 2021 was to focus 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.

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**Comment**

Moore Australia were engaged to undertake an internal audit in accordance with the Institute of Internal Auditors 'International Standards for the Professional Practice of Internal Auditing' as contained in the 'International Professional Practices Framework', with the following objectives:

- Examine and evaluate actions implemented in response to matters identified in the 2019 FMR review;
- Review the appropriateness and effectiveness of internal controls pertaining to processes key to procurement activities, including credit card expenditure and tenders in accordance with statutory requirements;
- Determine the compliance, efficiency, and effectiveness of the risk management framework with legislative compliance requirements and its consideration of better practice principles;
- Review the appropriateness and effectiveness of systems and internal controls pertaining to management of grants;
- Assess the systems for records capture and retrieval, retention and disposal, risk of loss of vital information, and to identify potential improvements.

The Ashburton Internal Audit Report – 2020-2021 was endorsed by the Audit and Risk Committee on the 16 March 2021.

Moore Australia summarised the findings in the following table.

Summary of Findings				
Review Area:	High	Medium	Minor	Total
Identified Matters – 2019 FMR	-	3	-	3
Procurement Systems and Controls	12	12	-	24
Risk Management Practices	4	9	5	18
Grants Management	-	6	5	11
Records Management	7	7	-	14

Management have made a commitment to address the matters raised within this report, including meeting best practice principals.

The below is an overall summary of the approach management are taking to address matters raised, a detail report is provided within a separate attachment.

### 1. Observations and Recommendations – 2019 Financial Management Review

All matters raised from the 2019 Financial Management Review have been, or are currently, being addressed.



A financial end of month checklist has been developed which incorporates numerous tasks, including items raised.

Continual improvements are being developed, including upgrading the Shire's financial management system from ITVision Synergy Soft to ITVision Altus. This upgrade will be carried out over the 2021/2022 financial year as modules are developed and made available.

## **2. Procurement systems and controls**

Several improvements have been identified within this section ranging from system improvements, record keeping, training, improved workflow, and compliance. As a result, it is recommended that a complete review of the Shire's procurement system and controls be conducted that incorporates all aspects of procurement, from planning, and approaching the market, evaluating, awarding contracts and contract management right through to payments and evaluations.

Robust systems are required to accommodate the complexity of the Shire's procurement requirements. This includes investigating platforms that will incorporate and enforce the Shire's policies and processes to ensure that best practice principals and legislative requirements are met.

The Shire is currently investigating ITvision's Altus Procurement and Altus contract management as platforms to manage procurement and contracts to be implemented in 2021/2021.

The system implementation will incorporate the review and/or development of various council policies, processes and directives, that will be inbuilt into the system to ensure compliance.

## **3. Risk management practices**

The internal audit stated that Risk Management Capability and Culture for the Shire is assessed as inadequate. Furthermore, the report noted that there are no dedicated resources and regular review of the resourcing of the risk management function. The de-centralised model for risk management effectiveness is limited by this the lack of dedicated resource to ensure a consistent approach.

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Management has identified that Risk Management is an organisation priority. The funding of a new Audit and Governance position has been included in budget considerations and incorporated in the organization review discussions.

This new position is imperative for the shire to improve its Risk management practices and address the matters raised within the report.

**4. Grants applications, payments, and acquittals**

The internal audit identified several improvement opportunities within the Shire's Grant Management processes.

Improved systems and controls are required for the high-level monitoring of compliance with grant programs to detect any potential issues in a timely manner to reduce the shire's risk of non-compliance of funding conditions.

A complete review of the grant management process has been identified and will incorporate the development of suitable reporting system to collate, monitor and report funding performance.

**5. Records management compliance with regulations and systems review**

The internal audit assessed several the Shire's Record Management Practices as inadequate.

Improvements to the Shire's record keeping management has already been identified as a priority by staff. At the September 2020 ordinary meeting, Council endorsed a five-step approach to access historical records and provide industry standard record keeping platform to ensure optimum performance in the future.

A project management plan for the implementation and migration of an electronic record keeping system has been developed and currently being implemented.

The Shire's Record Keeping Plan is being reviewed in conjunction with the implementation of the Shire's new EDRMS and will incorporate requirements and strategies that align to the new systems capabilities.

Staff are in regular contact with the State Records Office regarding the review status as well as ensuring that the shire's approach and implementation meets legislative and best practice requirements.

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It was envisioned that the Record Keeping plan will be finalized within 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.

A detailed status update report for the period ending 30 November 2021 is provided for consideration.

**Attachment 7.3A**

Council has previously requested a separate report for those matters considered “high risk” and this report is currently under development.

**Consultation**

Executive Leadership Team  
Middle Management Team  
Finance Team

**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.

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2. The review may relate to any or all the matters referred to in sub regulation (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**

Implementing the recommendations of the Report that have financial impacts will be processed through normal budgetary processes.

**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  
 Strategic Direction Promote an innovative and engaging corporate culture underpinned by the organisation’s vision

**Risk management**

Risk has been assessed based on the Officer Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan
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.

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The following Risk Matrix has been applied:

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

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 low due to the financial controls in place and the regularity of review of the information contained within these reports.

### Policy implications

There are no known policy implications related to this matter.

### Voting requirement

Simple majority

### Councillor interest declarations

Nil

### Officer recommendation

That with respect to the Internal Audit 2021, Committee recommends Council receive the update, noting those matters considered as "high" risk matters are being addressed in a future and separate report.

<b>Committee recommendation</b>	<b>004/2022</b>
<b>Moved</b>	<b>Cr R de Pledge</b>
<b>Second</b>	<b>Cr A Sullivan</b>
<b>That with respect to the Internal Audit 2021, Committee recommends Council receive the update, noting those matters considered as “high” risk matters are being addressed in a future and separate report.</b>	
<b>Carried 7/0</b>	

## **8 Next meeting**

The next Audit and Risk Committee will be held at 9:00am on Tuesday 10 May 2022 at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow.

## **9 Closure of meeting**

There being no further business, the Presiding Member closed the meeting at 9:57am.



## 7.1A – Internal Audit and External Review Status and Process Update



**STATUS OF AUDIT LOG AGENDA PAPER**

**SHIRE OF ASHBURTON**

**5 MAY 2022**



## Objective:

Moore Australia has been engaged to perform an assessment of the implementation of internal audit, financial audit, and performance audit recommendations and to report the status to the Executive Leadership Team on a weekly basis to the Chief Executive Officer. The objective of the engagement is to assist Management to improve the transparency, accountability, and timeliness of implementation of the recommendations.

## Scope

The scope of the engagement is to:

1. Identify the internal audits, financial audits and performance audits which have been performed in the past 5 years;
2. Request and receive from Management copies of the final reports;
3. Include all of the internal audit reports, financial audit management letters and performance audit management letters, recommendations in a comprehensive Shire of Ashburton Audit Log;
4. Request from Management evidence to validate the implementation of the recommendations;
5. Validate the recommendations by sighting evidence from the Shire that the recommendations have been fully implemented;
6. If there is insufficient evidence to validate the recommendation, then to liaise with Management to seek additional evidence;
7. Prepare a report for the Chief Executive Officer on a weekly basis summarising the results of the above work performed; and
8. Provide any insights within the report that are evident from the engagement that may assist with the objective of improving transparency, accountability and timeliness of implementation of the recommendations.

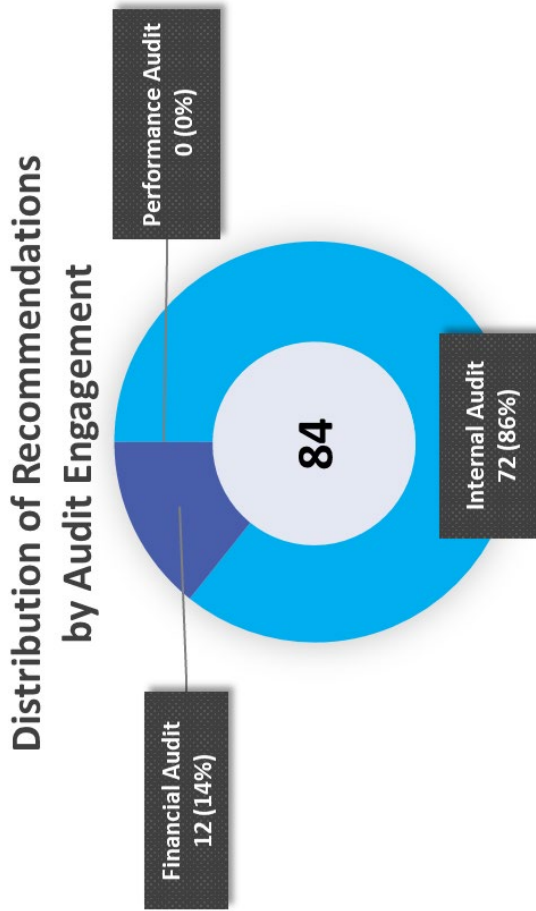
During the current week Management has commenced providing evidence to Moore Australia to validate the implementation of the recommendations. We have therefore commenced Scope Number 5 above.

## Results

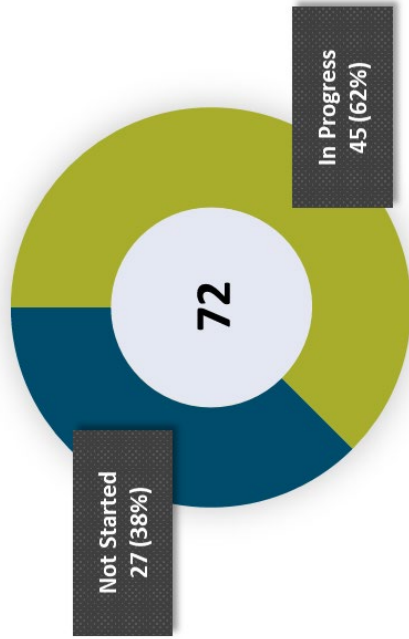
A summary of this week's Audit Log activity is set out below:

Audit	Summary Comments
<b>Internal Audit Recommendations</b>	Moore Australia has received Management Comments and some documents. These formed the basis of for this week's reporting (week commencing 2 May 2022). We note that a significant number of documents are yet to be provided to support the Management Comments so no recommendations have been assessed as Complete. Where relevant and available, evidence obtained in our current engagements have been used to validate progress and status of the implementation of some of the recommendations.
<b>Financial Audit Recommendations</b>	No information was provided to support the validation of the Financial Audit Recommendations.
<b>Performance Audit Recommendations</b>	The Shire has not been involved in a Performance audit so there are currently no recommendations to validate.

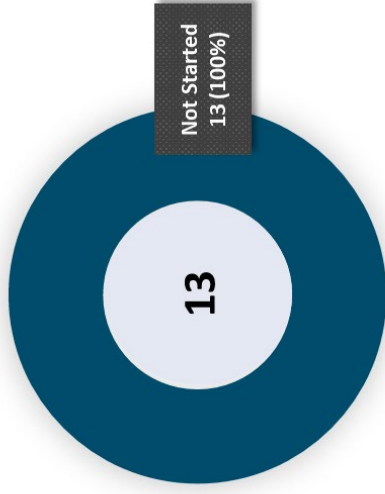
The overall status of the Audit Log is set out below:



### Brekadown of Internal Audit Recommendations



### Brekadown of Financial Audit Recommendations



Appendix 1 to 3 identify the status of specific types of audits which have been performed to give further detail which may be of interest to the Executive Leadership Team.

- Internal Audit - (Appendix 1)
- Financial Audit - (Appendix 2)
- Performance Audit - (Appendix 3)

The Audit Log has also been attached in Appendix 4 for your information.

## Feedback

Moore Australia welcome feedback on the presentation of this report and we will incorporate it into our next reporting to the CEO.

## Other

### Disclaimers

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### Basis of Use

This report has been prepared in accordance with the objectives and approach agreed in the engagement document and subject to the following limitations:

1. Other than use by you for the purpose, our report cannot be issued, accessed, or relied upon by any third party without our prior written approval. Furthermore, neither the report nor extracts from it will be included in any document to be circulated to other third parties without our prior written approval of the use, form, and context in which it is proposed to be released. We reserve the right to refuse to grant approval to issue the reporting to any other party.
2. The matters raised in this report are only those which came to our attention while performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for

management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

3. We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to statements and representations made by, and the information and documentation provided by, 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 within 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 the client. The findings expressed in this report have been formed on the above basis.
4. Recommendations for improvement should be assessed by management for their full commercial impact before they are implemented.

### Conflict of Interest

The firm is not aware of any existing or potential relationship, transaction or holding that would compromise its objectivity in the conduct of the services rendered, that has not previously been brought to the attention of Management. Should the possibility of a perceived or actual conflict arise the matter would be raised with the Chief Executive Officer immediately and activities suspended until the issue was resolved to your satisfaction.

## Appendix 1: Status of Internal Audit Recommendations

Internal Engagement	Audit Date of report	4 May 2022				26 April 2022							
		Total Recommendations	Completed	In Progress	Not started	Total Recommendations	Completed	In Progress	Not started				
1	Review of 2019 FMR	22 April 2021	4	NIL	4	NIL	NIL	NIL	4	NIL	NIL	NIL	4
2	Procurement Systems and Controls	22 April 2021	23	NIL	21	2	NIL	NIL	23	NIL	NIL	NIL	23
3	Risk Management Practices	22 April 2021	19	NIL	11	8	NIL	NIL	19	NIL	NIL	NIL	19
4	Grants Management	22 April 2021	11	NIL	1	10	NIL	NIL	11	NIL	NIL	NIL	11
5	Records Management	22 April 2021	15	NIL	8	7	NIL	NIL	15	NIL	NIL	NIL	15
	<b>Total</b>		<b>72</b>	<b>NIL</b>	<b>45</b>	<b>27</b>	<b>NIL</b>	<b>NIL</b>	<b>72</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>72</b>

Table 2: Status of Internal Audit Recommendations in the current (this week) and prior reporting period (last week).

## Appendix 2: Status of Financial Audit Recommendations

	Financial Year Ended	Total Recommendations		
		Completed	In Progress	Not started
1	30 June 2021	Not received from Management 5	Not received from Management NIL	Not received from Management 5
2	30 June 2020	Not received from Management 4	Not received from Management NIL	Not received from Management 4
3	30 June 2019	Not received from Management 1	Not received from Management NIL	Not received from Management 1
4	30 June 2018	Not received from Management 1	Not received from Management NIL	Not received from Management 1
5	30 June 2017	Not received from Management 1	Not received from Management NIL	Not received from Management 1
6	30 June 2016	Not received from Management 1	Not received from Management NIL	Not received from Management 1
	<b>Total</b>	<b>12</b>	<b>NIL</b>	<b>12</b>

∞ Table 3: Status of Financial Audit Recommendations

## Appendix 3: Status of Performance Audit Recommendations

	Financial Year Ended	Total Recommendations	Completed	In Progress	Not started
1	30 June 2021	NA	NA	NA	NA
2	30 June 2020	NA	NA	NA	NA
3	30 June 2019	NA	NA	NA	NA
4	30 June 2018	NA	NA	NA	NA
5	30 June 2017	NA	NA	NA	NA
6	30 June 2016	NA	NA	NA	NA
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Table 4: Status of Performance Audit Recommendations

## Appendix 4: Audit Log as at 3 May 2022

(Please Refer to Separate Spreadsheet)



## CONTACT US

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Internal Audit Log

No	Date of Report	Auditor	Audit Topic	Recommendation	Risk Rating	Audit Recommendation Owner	Management Comment in Report	Due Date	Shire Progress Update	Moore Australia Comment	Moore Australia Status
1	22-Apr-21	Moore Australia	Review of FMR	1. Fixed Asset Register Review systems to ensure practices for routine reviews of the Fixed Asset Register and reconciliations are undertaken and maintained as required by documented procedures.	Medium	Mangar Finance and Administration	Review of Finance Manual to be undertaken by EOM May 2021.	May-21	<p><b>Progress Update as at 2 May 2022</b></p> <p>Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdo and Onslow. This will be used to verify data contained within the Shire's fixed asset register.</p> <p>Additional asset classes will be programmed in future years.</p> <p>Fixed Asset Register reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist.</p> <p>Status: Completed</p>	<p>Moore acknowledge the management comments, however, we have not sighted evidence of:</p> <ul style="list-style-type: none"> <li>-evidence of review of the financial manual;</li> <li>-the awarding of Quote 07-21 Shire property assessments in Tom Price, Paraburdo and Onslow;</li> <li>-evidence of monthly Asset reconciliations and review by Manager Finance and Administration;</li> <li>-checklist showing the incorporation of the task.</li> </ul> <p>On this basis we assessed the recommendation to be in progress and not complete.</p>	In Progress
2	22-Apr-21	Moore Australia	Review of FMR	2. Fixed Asset Register Enforce individual accountability for compliance with the Shire's documented procedures.	Medium	Mangar Finance and Administration	Review of Finance Manual to be undertaken by EOM May 2021.	May-21	<p><b>Progress Update as at 2 May 2022</b></p> <p>Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdo and Onslow, which will be used to verify data contained within the Shire's fixed asset register.</p> <p>Additional asset classes will be programmed in future years.</p> <p>Fixed Asset Register reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist.</p> <p>Status: Completed</p>	<p>Moore acknowledge feedback provided by management. However, we have not sighted evidence of:</p> <ul style="list-style-type: none"> <li>- evidence of review of the financial manual;</li> <li>-the awarding of Quote 07-21 Shire property assessments in Tom Price, Paraburdo and Onslow;</li> <li>-evidence of monthly Asset reconciliations and review by Manager Finance and Administration;</li> <li>-checklist showing the incorporation of the task.</li> </ul> <p>On this basis we assessed the recommendation to be in progress and not complete.</p>	In Progress
3	22-Apr-21	Moore Australia	Review of FMR	3. Debtors Implement checklists to evidence preparation, review and monitoring of tasks as required by Finance Manual procedures. This will allow for management to routinely monitor compliance and to assist with ensuring procedural requirements are adhered to in a timely manner.	Medium	Mangar Finance and Administration	Checklists to be implemented by EOM March 2021.	Mar-21	<p><b>Progress update as at 2 May 2022</b></p> <ul style="list-style-type: none"> <li>-Rates and Sundry Debtors reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated into the EOM process and checklist is the provision to review end of month reconciliations and ensure the checklists has been completed prior to the preparation and finalization of the monthly financial statements.</li> </ul> <p>Status: Complete</p>	<p>Moore acknowledge feedback provided by management. However, we have not sighted evidence of the checklist to evidence preparation, review and monitoring of tasks as required by the Finance Manual Procedures.</p> <p>On this basis we assessed the recommendation to be in progress and not complete.</p>	In Progress
4	22-Apr-21	Moore Australia	Review of FMR	4. Bank Reconciliations Review and update systems to facilitate compliance with the Finance Manual and agreed documented management actions noted in the FMR.	High	Mangar Finance and Administration	To be addressed by EOM April 2021.	Apr-21	<p><b>Progress update as at 2 May 2022:</b></p> <p>28 February 2022: Prior period reconciliation issues are being addressed, and cleared in order to bring Council's bank reconciliations up to date with a significant reduction in outstanding items.</p> <p>Bank Reconciliation tasks for all the Shire's bank accounts have been incorporated in end of month financial checklist.</p> <p>Currently Bank Reconciliations are performed manually and via excel. An upgrade to Ivision Atlas Bank Reconciliations is schedule to be implemented in 2021/2022.</p> <p>Finance Manual to be updated in conjunction with the commencement of the new system.</p> <p>Status - Ongoing</p> <p><b>Progress Update:</b> Prior period bank reconciliation issues are being addressed and cleared in order to bring Council's bank reconciliations up to date with a significant reduction in outstanding items. Bank Reconciliations are performed manually and via excel. Currently Bank Reconciliations are performed manually and via excel. An upgrade to Ivision Atlas Bank Reconciliations is schedule to be implemented in 2021/2022. Finance Manual to be updated in conjunction with the commencement of the new system. Funds to upgrade to Atlas included in 2021-2022 budget. System to be implemented.</p>	<p>Moore acknowledge feedback provided by management. However, we have not sighted evidence of the implementation of the new system.</p> <p>On this basis we assessed the recommendation to be in progress</p>	In Progress

5	22-Apr-21	Moore Australia	Procurement	5. Documented Policies and Procedures Review and update KCA 10 Purchasing, Creditors, Procurement and Payments and FIN22 Procurement Directive to align with and provide consistent and correct direction to staff for procurement activities.	High	Manager Finance and Administration	To be implemented by EOM May 2021.	May-21	On the basis of the management comments provided we assess the recommendation as in progress	In Progress
6	22-Apr-21	Moore Australia	Procurement	6. Documented Policies and Procedures Create checklists for tasks and controls in line with documented policies and procedures to assist with and to enhance compliance	High	Manager Finance and Administration	To be implemented by EOM May 2021.	May-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
7	22-Apr-21	Moore Australia	Procurement	7. Delegation of Authority Enforce individual accountability for compliance with the Shire's recordkeeping requirements and documented procedures.	High	Director Corporate Services   Manager Governance	To be addressed by EOM March 2021.	Mar-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
8	22-Apr-21	Moore Australia	Procurement	8. Delegation of Authority Review delegation 1.1, 2.1 and consider the impact of the new recordkeeping requirements on the officer being required to approve all payments made from the municipal and/or trust fund.	High	Director Corporate Services   Manager Governance	To be addressed by EOM March 2021.	Mar-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
9	22-Apr-21	Moore Australia	Procurement	9. Delegation of Authority Implement systems and controls duties are performed for compliance and accuracy verification.	High	Director Corporate Services   Manager Governance	To be addressed by EOM March 2021.	Mar-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress

# Attachment 7.1A - Internal Audit and External Review Status and Process Update

10	Moore Australia	22-Apr-21	Procurement	Medium	Manager Finance and Administration   Senior Procurement Officer	To be addressed by EOM April 2021.	Apr-21	<p><b>Progress update as at 2 May 2022:</b> Procurement training (or all staff is already in place, including new starter procurement e-learning module (recently developed and implemented). Procurement training for all staff is being completed. LG and Shire procurement as mandatory refresher training. In addition, LG and Shire procurement practices are covered in detail in our CEO 6 monthly Introduction to LG face to face compulsory training. This training is currently for new starters, but the aim is to get all staff enrolled in the near future. In addition, our Procurement Officer recently attended a 3-day face to face LG Skills Procurement training on LG and Shire procurement practices. Our middle management group (MMG) and our Governance Officer recently attended a comprehensive, bespoke 3-day face to face LG Skills Procurement training on LG and Shire procurement practices. Our operational requirements in detail. Our training calendar for the remainder of this calendar year includes: LG Act (Essentials and Advanced) training (June &amp; July), Procurement and Contract Essentials course and Procurement Planning and Risk course (facilitated by WALGA) (September).</p> <p><b>Progress Update:</b> Shire is currently investigating a Human Resources online management solution, including the onboarding of new staff. This platform will assist with rolling out identified training requirements. A platform for HR online management system included in 2021-2022 budget. Funds for HR online management system included in 2021-2022 budget. <b>Update - February 2022:</b> Pulse implementation being finalized, with training to cover modules scheduled for the end of March 2022 with Executive and Managers.</p>	In Progress
11	Moore Australia	22-Apr-21	Procurement	Medium	Manager Finance and Administration   Senior Procurement Officer	To be addressed by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> Declarations of interest are completed by staff for RFQ and RFT Formal procedures are under review to align with new requirement, including providing guidelines of types of interest and declaration forms. A risk based training matrix is currently being investigated which will include the ability to include shire requirements and reflect the shire's workflow for declarations. <b>Update - September 2021:</b> Funds to upgrade to Atlas included in 2021-2022 budget, which may include upgrade to Atlas procurement. System to be arranged to ensure it meets the requirements of the organization.</p>	In Progress
12	Moore Australia	22-Apr-21	Procurement	High	All Directors	Training being implemented in relation to scope preparation. External expertise to be engaged for review as required.	No due date	<p><b>Progress update as at 3 May 2022:</b> In the 2020/21 year, we facilitated the following training: Understanding Building and Construction Tenders and Contracts (Queensland); Project Management (LG Pro); Contract Risk (LGIS); Project Management (AMWA); 2021/22 - In addition to all of the LG and Procurement related training, we also facilitated training for our staff on the following: Manage Projects (Aup) and Applied Project Management (Ost).</p> <p><b>Progress Update:</b> Contract management training has been delivered to project management staff. Ongoing training to be provided where project management staff are involved in major projects. Budget considerations are submitted by providing a business case, which outlines a detailed scope of works. This area is under ongoing improvement to ensure that the level of planning and budget estimates verified and accurate.</p>	In Progress
13	Moore Australia	22-Apr-21	Procurement	High	All Directors	Recommendation to be implemented by June 2021 with ongoing review.	Jun-21	<p><b>Progress as at 2 May 2022</b> Training is scheduled for September this year for Procurement and Contract Essentials and Procurement Planning and Risk.</p> <p><b>Progress Update:</b> In addition to the new procurement platform, Atlas Contract Management module has been released by Ivision and currently being investigated as a platform to provide ongoing systems project management staff, increase procurement and understanding of legislation training identified, with training being delivered over the next 12 months. Training will need to be delivered regularly to ensure new staff are able of the requirements. <b>Update - September 2021:</b> Staff are able of the requirements. <b>Update - May 2022:</b> May provide upgrade to Atlas procurement / Contract Management.</p>	In Progress
14	Moore Australia	22-Apr-21	Procurement	Medium	Director Projects & Procurement   Senior Procurement Officer	Probity Auditor engaged for projects \$1m and over. Ad hoc probity also installed. Recommendation to be implemented.	No due date	<p><b>Progress Update:</b> In addition to the new procurement platform, Atlas Contract Management module has been released by Ivision and currently being investigated as a platform to provide ongoing systems project management staff, increase procurement and understanding of legislation training identified, with training being delivered over the next 12 months. Training will need to be delivered regularly to ensure new staff are able of the requirements. <b>Update - September 2021:</b> Staff are able of the requirements. <b>Update - May 2022:</b> May provide upgrade to Atlas procurement / Contract Management.</p>	In Progress

# Attachment 7.1A - Internal Audit and External Review Status and Process Update

15	Moore Australia	22-Apr-21	Procurement	15. <b>Panel and Pre-Qualified Suppliers</b> Undertake a well-considered, risk-based approach prior to assessing the merits of establishing and subsequently complying with Pre-Qualified Suppliers. Ensure all panel and Pre-Qualified Suppliers contracts are in place to support and monitor compliance.	Medium	Director Projects & Procurement / Senior Procurement Officer	Recommendation noted	No due date	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
16	Moore Australia	22-Apr-21	Procurement	16. <b>Variations</b> Review and update FN22 Procurement Directives to remove the 'conditions of approval' for when entering into contract variations. Add 'early approval' for 'contract variation' and 'contract facilities'. Any ability to enter into contract variations should align with FN12 Purchasing policy as adopted by Council.	High	All Directors	Recommendation to be implemented by June 2021.	Jun-21	On the basis of the management comments provided we assess the recommendation as in progress Moore has sighted evidence of the Program Alius through current internal audit engagements with the Shire.	In Progress
17	Moore Australia	22-Apr-21	Procurement	17. <b>Variations</b> Enforce individual accountability with documented procurement policies and procedures and consider disciplinary action for repetitive compliance breaches.	High	All Directors	Recommendation to be implemented by June 2021.	Jun-21	On the basis of the management comments provided we assess the recommendation as in progress Moore has sighted evidence of the Program Alius through current internal audit engagements with the Shire.	In Progress
18	Moore Australia	22-Apr-21	Procurement	18. <b>Variations</b> Update KCA, 10 Purchasing, Conditions, and Procedures for Goods for current requirements in relation to variations and approvals.	High	All Directors	Recommendation to be implemented by June 2021.	Jun-21	On the basis of the management comments provided we assess the recommendation as in progress Moore has sighted evidence of the Program Alius through current internal audit engagements with the Shire.	In Progress
19	Moore Australia	22-Apr-21	Procurement	19. <b>Segregation of Duties</b> Review and update levels of permissions within the Shire's ERP to support segregation of duties.	Medium	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
20	Moore Australia	22-Apr-21	Procurement	20. <b>Segregation of Duties</b> Update procedures to ensure appropriate interventions are available at various stages of the procurement process, including routine reviews of controls to ensure they are being observed and maintained as required.	Medium	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
21	Moore Australia	22-Apr-21	Procurement	21. <b>Approval of Invoices, Compliance with Policies and Procedures</b> Consider the implementation of authorised checklists and approvals for purchase orders to ensure a clear understanding of systems and processes to be followed.	Medium	Manager Finance and Administration	Recommendation noted	No due date	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	Not Started
22	Moore Australia	22-Apr-21	Procurement	22. <b>Vendor/Supplier Masterfile and Maintenance</b> Review and update processes and forms for additions / amendments to the vendor / supplier Masterfile to include declarations to support the verification of change requests and their origin, authority to support the change request, validation checks for changes once completed and any other controls that exist to ensure all changes performed have been authorised).	High	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
23	Moore Australia	22-Apr-21	Procurement	23. <b>Progress Payments and Purchase Order Tracking</b> Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routine and consistently applied.	Medium	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress

# Attachment 7.1A - Internal Audit and External Review Status and Process Update

24	Moore Australia	22-Apr-21	Procurement	24. Exemptions for Purchasing Activities Update policies and procedures to provide clearer instruction and alignment for exemptions to occur.	Medium	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
25	Moore Australia	22-Apr-21	Procurement	25. Credit Cards Ensure processes exist to maintain adherence to and detect any deviation from established documented procedures and controls.	Medium	All Directors   Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
26	Moore Australia	22-Apr-21	Procurement	26. Accounts for Payments listing to Council The list of accounts for payments to be presented to Council with only the minimum information required by legislation, and not as a separate confidential attachment.	Medium	Manager Finance and Administration	Recommendation to be implemented by April 2021.	Apr-21	No evidence provided on why the recommendation is no longer applicable.	Not Started
27	Moore Australia	22-Apr-21	Procurement	27. Regional Price Reference Policy Where regional price referencing is to be applied to tender considerations, ensure policies remain in place which have complied with legislative requirements.	Medium	Senior Procurement Officer	Recommendation noted	No due date	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
28	Moore Australia	22-Apr-21	Risk Management	28. Resourcing Appointment of dedicated risk manager who is responsible for the coordination of risk management across the Council's management function and if it currently meets expectations. This may include the convening of a risk management group to support the risk manager.	Medium	CEO	Recommendation to be considered by ELT	No due date	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
29	Moore Australia	22-Apr-21	Risk Management	29. Alignment to Strategic Plan and Business Plan Consider and document current and emerging risks in the Strategic Plan and ensure Business Plan and how effective risk management is in place.	Medium	All Directors	Recommendation noted	No due date	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress
30	Moore Australia	22-Apr-21	Risk Management	30. Council and Audit and Risk Management Committee Review CORP5 Risk Management Policy to better define the responsibilities of the Council, the Audit & Risk Management Committee, management and other stakeholders.	Medium	Chief Executive Officer   Director, Corporate Services   Manager Governance	Recommendation to be implemented by EOM June 2021.	Jun-21	On the basis of the management comments provided we assess the recommendation as not started.	Not Started
31	Moore Australia	22-Apr-21	Risk Management	31. Council and Audit and Risk Management Committee Terms of Reference to include risk management responsibilities and to align with better practice principles	Medium	Chief Executive Officer   Director, Corporate Services   Manager Governance	Recommendation to be implemented by EOM June 2021.	Jun-21	On the basis of the management comments provided we assess the recommendation as not started.	Not Started
32	Moore Australia	22-Apr-21	Risk Management	32. Risk Management Annual Work Plan and Calendar Develop, approve, document, monitor and report on a risk management plan that includes the risk management events that are scheduled to occur to ensure that all deadlines are met.	Minor	All Directors	Recommendation to be implemented by EOM July 2021.	Jul-21	On the basis of the management comments provided we assess the recommendation as in progress No further supporting evidence has been provided.	In Progress

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33	Moore Australia	Risk Management	33. Risk Management Annual Work Plan and Calendar Develop, approve, monitor and report on a risk management training calendar and perform induction and regular training for all risk management staff. Ensure that all risk management staff understand their role and responsibility and better practice principles. This can be performed via online training and be integrated with other training performed by the Shire.	Minor	All Directors	Recommendation to be implemented by EOM July 2021.	JUN-21	<p><b>Progress as at 2 May 2022:</b> In the 2020/21 year, we facilitated the following training: Understanding Building and Construction Tenders and Contracts (Questionnaire), Contract Management (Questionnaire), Contract Management (Questionnaire), Contract Risk (LGSIS)</p> <p>On this basis and the management comments provided the recommendation remains in progress</p>	In Progress
34	Moore Australia	Risk Management	34. Risk Expert Document consideration of the need for a risk expert in the identification and management of key risks.	Minor	All Directors	Recommendations noted	No due date	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
35	Moore Australia	Risk Management	35. Risk Owners Review of existing processes and ensure risk registers are up to date and consistent. Update to ensure terminated staff and to identify new risk owners.	Medium	Chief Executive Officer / All Directors   Manager Governance	Recommendation to be implemented by EOM June 2021.	Jun-21	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
36	Moore Australia	Risk Management	36. Risk Register Create, implement and maintain an application and risk owners, shared risks and whether a residual risk falls within or outside the Shire's risk appetite. Where business units risk registers can be used as an effective risk management tool - more regular reviews of risks more than annually regular assessment of management categories to ensure they are appropriate to assist with risk identification and management, -application of professional judgement in assessment of effectiveness of controls in the with documented systems and controls.	High	All Directors	Risk Register to be reviewed subject to consultant availability	No due date	<p><b>Progress Update:</b> Updating of the operation risk register and risk registers for the new Audit and Governance position <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
37	Moore Australia	Risk Management	37. Risk Appetite, Risk Tolerance Statements and Treatment Action Plans Develop, approve, monitor and report on a risk appetite, risk tolerance statements and treatment action plans. Consider the effectiveness of controls to ensure that treatment action plans are not required to reduce risk to within risk appetite.	High	All Directors	Risk Register to be reviewed subject to consultant availability	No due date	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position. Once approved, will be incorporated in the new Audit and Governance position <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
38	Moore Australia	Risk Management	38. Risk Management Strategy Develop a risk management strategy and review this at least on an annual basis or when material risks are identified.	Medium	All Directors	Risk Register to be reviewed subject to consultant availability	No due date	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position. <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
39	Moore Australia	Risk Management	39. Special Activities and Project Risks Develop an approved risk assessment tool for special projects and activities which are being considered to be undertaken	High	All Directors	Risk Register to be reviewed subject to consultant availability	No due date	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position. <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
40	Moore Australia	Risk Management	40. Embedded Risk Management Consider and document how the risk management is integrated and embedded within Shire processes. Strategies that can be considered include risk champions, workshops with management and staff.	High	All Directors	Risk Register to be reviewed subject to consultant availability	No due date	<p><b>Progress Update:</b> This will be addressed on the appointment of the new Audit and Governance position. <b>Update – September 2021</b>. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	In Progress
41	Moore Australia	Risk Management	41. Audit and Risk Management Committee Includes a summary of the risk management activities as an agenda paper for Audit & Risk Management Committee meetings.	Medium	All Directors   Manager Governance	Recommendation to be implemented by EOM September 2021.	Sep-21	<p><b>Progress Update:</b> As previously mentioned, a review of this item of reference will be reviewed which will incorporate matters raised by the reviewer.</p>	Not Started
42	Moore Australia	Risk Management	42. Executive Leadership Team Include a summary of the risk management activities as an agenda paper for Executive Leadership Team meetings.	Medium	Director Corporate Services	Recommendation to be implemented by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> Risk management activities to be incorporated into the agenda on the commencement of the new Audit and Governance Officer.</p>	Not Started

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43	Moore Australia	Risk Management	43. <b>Compliance with Legislative Requirements</b> Develop and implement a risk management framework / strategy and supporting systems and procedures aligned to the current risk management Standard, ISO 31000:2018.	Medium	All Directors	Recommendation to be implemented	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
44	Moore Australia	Risk Management	44. <b>Staff Adherence and Audits</b> Perform regular external or internal independent assessment of Risk Management to identify improvement opportunities.	Medium	All Directors	Recommendation to be implemented	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
45	Moore Australia	Risk Management	45. <b>Performance Indicators</b> Develop, approve, document, monitor and report risk management performance indicators or measures to assess performance and detail performance to be compared.	Minor	All Directors	Recommendation to be implemented	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
46	Moore Australia	Risk Management	46. <b>Survey of Risk Owners, Management, Staff, Contractors and Volunteers</b> Survey a selection of risk owners, management, staff, contractors and/or volunteers to identify continuous improvement opportunities.	Minor	All Directors	Recommendation to be implemented	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
47	Moore Australia	Grants Management	47. <b>Application of Grants</b> Improve systems and controls through establishing self-critique to support decision making and information for grant applications.	Medium	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
48	Moore Australia	Grants Management	48. <b>Application of Grants</b> Establish accountability for compliance with the State's documented procedures	Medium	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
49	Moore Australia	Grants Management	49. <b>Acquittal of Grants</b> Review documented procedures to ensure they are up to date and reviewed with a higher level review for the timely completion and submission of acquittals and audits.	Medium	Officer responsible for grant application and works under the grant.	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
50	Moore Australia	Grants Management	50. <b>Acquittal of Grants</b> Establish authorised checklists to be completed by each department managing grants to evidence the routine review of grants and the provision of any required information as required by internal policies and procedures.	Medium	Officer responsible for grant application and works under the grant.	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
51	Moore Australia	Grants Management	51. <b>Compliance with Grant Conditions</b> Create a grants matrix to address compliance with grant conditions and clauses.	Medium	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
52	Moore Australia	Grants Management	52. <b>Compliance with Grant Conditions</b> In addition to the recording of compliance for grant programs, establish a register to maintain records of compliance and non-compliance.	Minor	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
53	Moore Australia	Grants Management	53. <b>Governance</b> Update internal resource library (intranet) to maintain live documents as required by documented procedures.	Minor	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started
54	Moore Australia	Grants Management	54. <b>Governance</b> Clarify KCA. 3 Grants to define expected compliance requirements and create support documents as required to facilitate compliance.	Minor	All Directors	Recommendations noted	No due date	On the basis of the management comments provided we assess the recommendation as not started. No further supporting evidence has been provided.	Not Started



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55	Moore Australia	22-Apr-21	55 Governance	Enforce individual accountability with documented procedures.	Minor	All Directors	Recommendations noted	No due date	<p><b>Progress Update:</b> To be incorporated into the reporting system – as above.</p> <p>No further supporting evidence has been provided.</p>	Not Started
56	Moore Australia	22-Apr-21	56 Governance	Undertake an evaluation of current grant programs to identify non-compliant grants and action as required.	Minor	All Directors	Recommendations noted	No due date	<p><b>Progress Update:</b> To be incorporated into the reporting system – as above.</p> <p>No further supporting evidence has been provided.</p>	Not Started
57	Moore Australia	22-Apr-21	57 Governance	Document grant specific procedures relating to management of community support grants.	Minor	All Directors	Recommendations noted	No due date	<p><b>Progress Update:</b> Review of REC08 is currently being concluded.</p> <p>No further supporting evidence has been provided.</p>	In Progress
58	Moore Australia	22-Apr-21	58 Record Keeping Practices	The Shire investigate an automated approach to manage information that can detect and classify high risk and high value information across different repositories including Email, Shared Drives, SharePoint, One Drive etc.	Medium	All Directors	Recommendation to be implemented	No due date	<p><b>Progress Update:</b> A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. <b>Update – February 2022</b> – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.</p>	In Progress
59	Moore Australia	22-Apr-21	59 Record Keeping Practices	The Executive Leadership Team reinforces the importance of recordkeeping with the relevant business units Management. The message should cascade down from the top to all levels within the organisation.	Medium	All Directors	Recommendation to be implemented	No due date	<p><b>Progress Update:</b> A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. <b>Update – February 2022</b> – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.</p>	In Progress
60	Moore Australia	22-Apr-21	60 Record Keeping Practices	Enforce individual accountability for compliance with the Shire's recordkeeping requirements.	Medium	All Directors	Recommendation to be implemented	No due date	<p><b>Progress Update:</b> A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. <b>Update – February 2022</b> – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.</p>	In Progress
61	Moore Australia	22-Apr-21	61 Record Keeping Practices	Ensure any updates to the policy with to privacy and appropriate systems and controls are in place to facilitate its application throughout the organisation.	Medium	All Directors	Recommendation to be implemented	No due date	<p><b>Progress Update:</b> A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. <b>Update – February 2022</b> – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.</p>	In Progress
62	Moore Australia	22-Apr-21	62 Record Keeping Plan 2015/040	The Shire consider and commence immediate review of the Recordkeeping Plan 2015/040.	High	Manager Governance	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> The Shire's Record Keeping Plan is being reviewed in accordance with the new requirements of the Shire's EIPRS. All incorporate requirements and strategies that align to the new systems capabilities. Staff are in regular contact with the State Records Office regarding the review status as well as ensuring that the shire's approach to recordkeeping is consistent with the State Records Office. It is anticipated that the Record Keeping Plan will be finalised within the next 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.</p> <p>No further supporting evidence has been provided.</p>	Not Started

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63	Moore Australia	22-Apr-21	Records Management	63. Record Keeping Plan 2016/040 Develop appropriate systems to monitor the implementation of improvements within the Plan, including self-evaluated improvements and any actions noted by the State Records Office.	High	Manager Governance	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> The Shire's Record Keeping Plan is being reviewed in conjunction with the implementation of the Shire's new EDRMS and will incorporate requirements and strategies that align to the new systems. The plan will incorporate systems for continual monitoring and self-evaluation strategies.</p> <p>No further supporting evidence has been provided.</p>	No Started
64	Moore Australia	22-Apr-21	Records Management	64. Language Control Review, improve and update the systems and controls for language control within record keeping systems.	High	Records Coordinator	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> Language control has been incorporated in the new EDRMS. Formal documentation to be prepared and implemented throughout the organization.</p> <p>No further supporting evidence has been provided.</p>	No Started
65	Moore Australia	22-Apr-21	Records Management	65. Language Control Consider review of historic records to identify any high risk considerations which require examination and updates to compliance with approved record keeping practices.	High	Records Coordinator	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> Language control has been incorporated in the new EDRMS. Formal documentation to be prepared and implemented throughout the organization.</p> <p>No further supporting evidence has been provided.</p>	No Started
66	Moore Australia	22-Apr-21	Records Management	66. Training Review and update systems and processes for records training to be routinely and consistently included with general commencement inductions.	High	Records Coordinator	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress as at 2 May 2022:</b> The following courses are being scheduled to run this calendar year: - Records Management - Records Retention and Disposal of Business Records - all facilitated by WALGA, to be delivered this calendar year still</p> <p><b>Progress Update:</b> Organisational training on the new EDRMS will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	In Progress
67	Moore Australia	22-Apr-21	Records Management	67. Training In addition to the induction training, refresher training is conducted for all Management, staff, contractors and volunteers periodically. Records training could, for example, initially be undertaken annually then increased in timeframe when there is evidence of improvement in compliance posture.	High	Records Coordinator	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress as at 2 May 2022:</b> HR has requested Corporate Services to develop content in consultation with HR for an online e-learning course, with Corporate Services.</p> <p><b>Progress Update:</b> Organisational training on the new EDRMS will be conducted as part of its implementation. Training for new employees will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	In Progress
68	Moore Australia	22-Apr-21	Records Management	68. Training of a records management champion in either each core business unit or as a general support function, to provide support and guidance to all staff on records management matters. This will allow for an "expert" in the field, with hands on understanding of the challenges of each system	High	Records Coordinator	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress as at 2 May 2022:</b> Appointed Records Coordinator commencing in May. Also appointed Manager Governance, commencing 1 June. Once these new employees commence, we will identify a records champion and work with them to arrange for super user training for the identified employee. Part of our strategy is to have knowledge share, including, not allowing employees to work in isolation.</p> <p><b>Progress Update:</b> Organisational training on the new EDRMS will be conducted as part of its implementation. Training for new employees will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	In Progress
69	Moore Australia	22-Apr-21	Records Management	69. Training Test backup procedures: usability and reliability of backup tapes/discs on a regular basis.	Medium	IT Team	Recommendations noted	No due date	<p><b>Progress update as at:</b> Corporate Services to arrange via their external ICT or other consulting providers</p> <p><b>Progress Update:</b> The proposed new system is backed up in accordance with industry best practice standards. Regular testing to take place once system is operational, in line with the Shire's Record Keeping Plan.</p>	In Progress
70	Moore Australia	22-Apr-21	Records Management	70. Key Performance Indicators Define and develop criteria to assess the performance of the recordkeeping program.	Medium	Manager Governance	Recommendation to be initiated by EOM April 2021.	Apr-21	<p><b>Progress Update:</b> Collection and review of statistics will commence at the end of the new EDRMS and will form part of the Shire's performance management platform and written into the Shire's reviewed Record Keeping Plan.</p> <p>No further supporting evidence has been provided.</p>	No Started

71	Moore Australia	Records Management	71. <b>Key Performance Indicators</b> Implement a survey mechanism to measure levels of staff satisfaction with recordkeeping operations.	Medium	Manager Governance	Recommendation to be initiated by EOM April 2021.	Apr-21	On the basis of the management comments provided and evidence collated during current engagement we assess the recommendation as not stated. No further supporting evidence has been provided.	No Started
72	Moore Australia	Records Management	72. <b>Website Management</b> Investigate appropriate system solution to capture corporate information published in social media, including internet website.	Medium	Manager Media and Communication	Recommendations noted	No due date	On the basis of the management comments provided and evidence collated during current engagement we assess the recommendation as not stated. No further supporting evidence has been provided.	No Started

Financial Audit

No	Date of Report	Audit Title	Comment on Rating (Asset sustainability, Ratio)	Recommendation	Risk Rating	Audit Recommendation Owner	Management Comment in Report	Due Date	Share of Attention Management Comment	Issues Addressed Comment	Howe Aurville Status
1	30-Jun-16	Comment on Rating (Asset sustainability, Ratio)	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs and Oritow, is close to the Operating Surplus Ratio. While some ratios are below the accepted industry benchmark, given the nature of the company's operations, the ratios are considered acceptable and strategies are maintained. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered. We suggest that the Finance team, for Council and management to do so also as they strive to manage the ratios resources of the Share.</p>	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio. We also note a number of ratios appear to be trending downwards over the longer term and this should be considered moving forward. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered. We suggest that the Finance team, for Council and management to do so also as they strive to manage the ratios resources of the Share.</p>	Not Identified	Not Identified	Not Identified	Not Identified	No evidence provided	Not Started	
2	30-Jun-17	Comment on Rating (Asset sustainability, Ratio)	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio. We also note a number of ratios appear to be trending downwards over the longer term and this should be considered moving forward. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered. We suggest that the Finance team, for Council and management to do so also as they strive to manage the ratios resources of the Share.</p>	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio. We also note a number of ratios appear to be trending downwards over the longer term and this should be considered moving forward. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered. We suggest that the Finance team, for Council and management to do so also as they strive to manage the ratios resources of the Share.</p>	Not Identified	Not Identified	Not Identified	Not Identified	No evidence provided	Not Started	
3	30-Jun-18	Asset Sustainability Ratio	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio. We also note a number of ratios appear to be trending downwards over the longer term and this should be considered moving forward. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.</p>	<p><b>Summary</b> The Share Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio. We also note a number of ratios appear to be trending downwards over the longer term and this should be considered moving forward. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position at that time. Interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.</p>	Not Identified	Not Identified	Not Identified	Not Identified	No evidence provided	Not Started	
4	30-Jun-19	General Journals	To help maintain the integrity of the accounting information, supporting documents should be kept on hand and the system, review the correctness of posting after being processed and evidence their approval and review.	Manager Finance & Administration	Significant	Not Identified	Procedure to be updated in the current Finance Manual. Review options to restrict access to update and approval journals in Synergy.	31-Jun-20	No evidence provided	Not Started	
5	30-Jun-19	Valuation of land held for sale	The Share should obtain up to date evidence of the value of the land to ensure it is recorded at the lower of cost and net realisable value.	Manager Finance & Administration	Moderate	Not Identified	Investigate current market value based on latest Valuer General information.	31-Jun-20	No evidence provided	Not Started	
6	30-Jun-19	Excessive annual leave	This Share should manage and monitor the excessive annual leave accruals to ensure the financial health, risk of business interruption and funds.	HR Manager	Moderate	Not Identified	Each Director has previously been requested to have discussions with the relevant employees to reduce their leave with clause 10.2. As leave has not decreased for some employees Human Resources will be writing to employees to ensure that they are aware of the leave provisions outlined in the report. The intention is to do so in January following employees taking leave over Christmas period.	31-Jun-20	No evidence provided	Not Started	
7	30-Jun-19	Related party declarations	All Share Officers and any management staff complete Related Party Disclosure forms for any period that they held office or were employed by the Share during a financial year. The declaration should also indicate the period of coverage. The shares should ensure these are obtained from directors and staff prior to them leaving the Share.	Director Corporate Services	Moderate	Not Identified	Share Governance Procedures relating to Related Party Declarations	31-Mar-20	No evidence provided	Not Started	
8	30-Jun-20	Management of excessive leave	Management should ensure staff comply with the Leave Management Policy and ensure long outstanding leave balances are cleared in a timely manner. Management should ensure that leave management plans are implemented and endorsed.	Adelaide Herley – Manager Human Resources	Moderate	Not Identified	We can confirm that any excessive leave balances are highlighted in the monthly Human Resources report for action, with the following: "Directors should discuss the above leave liability with their Managers in order to develop a plan to reduce leave. The Human Resources Team, work with Managers to issue letters relating to access leave and we are about to issue notices to employees with outstanding leave. The Director's office will advise all Share Human Resources of any excessive leave. A formal training program for Managers, consisting of various topics, will be developed to support them in the effective management of staff."	9-Feb-21	No evidence provided	Not Started	
9	30-Jun-20	Related party declarations	Management should implement procedures to ensure all RMP declarations are completed and retained in a timely manner.	Danielle Hursfield – Manager of Governance	Moderate	Not Identified	In September 2020, the Share implemented the Affected Parties Policy and worked with the relevant officers to assist with the timely collection of returns and declarations in the future.	9-Feb-21	No evidence provided	Not Started	
10	30-Jun-20	Incorrect capitalisation of minor assets	The Share should review its fixed asset register to ensure that all items acquired on or after 1st July 2017 are correctly classified and from the register maintain an attractive items register to prevent loss or theft.	Finance Officer – Assets and Reconciliations	Moderate	Not Identified	Along with the monthly reconciliation of asset movements under \$5,000 are excluded. To improve the tracking of minor or minor assets an items register is currently being created and will be maintained by the finance team.	22-Oct-20	No evidence provided	Not Started	

11	30-Jun-20	Procurement controls Petty cash controls	The Shire should implement a more robust process to identify year end accruals and perform monthly reviews of open purchase orders and close of any long outstanding purchase orders if they are no longer required. It is recommended that when petty cash is used for purchases above the \$100.00 limit formal documentation and approval is obtained with the petty cash. Petty cash receipt forms should be updated to reflect the Shire's policy for dual verification and staff should be reminded of the petty cash policy.	Moderate Minor	Manager Finance and Administration Manager Finance and Administration	Open Purchase Orders are reviewed annually around the month of May to assist with preparation of the annual financial statements. The process of monthly review is now being implemented. A review of the approval process and supporting documentation requirements has been undertaken using petty cash. In particular those instances of transactions over \$100.	22-Oct-20 22-Oct-20	Not provided Not provided	No evidence provided No evidence provided	Not Started Not Started
12	30-Jun-20									
13	30-Jun-21									