Shire of Ashburton

Audit and Risk Management Committee Meeting

Attachments

(Public)

Clem Thompson Sports Pavilion, Stadium Road,

Tom Price

12 July 2022

9:00am

Contents

Attachment 5.1A - Confirmation of previous meetings - 10 May 2022

Shire of Ashburton

Audit and Risk Management Committee Meeting

Unconfirmed Minutes

Public

Council Chambers, Onslow Shire Complex, Second Avenue, Onslow

10 May 2022

8:30am

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.

K Donohoe
Chief Executive Officer
13 May 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 10 May 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.

Contents

1   Declaration of opening

The Presiding Member declared the meeting open at 8:40am.

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 A Smith	Tom Price Ward
Cr L Rumble	Paraburdoo Ward
Cr A Sullivan	Paraburdoo 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
A Lennon	Manager of Media and Communications
A Heraty	Manager Human Resources
N Jeffery	Executive Assistant Corporate Services
D Walkington	Customer Service Officer - Records

Guests
M Shafizadeh	Moore Australia
N Goosen	Moore Australia
I Toure	Moore Australia

3.2   Apologies

Cr M Gallanagh   Pannawonica Ward
Cr R de Pledge   Ashburton Ward

3.3   Approved leave of absence

Cr T Mladenovic   Tom Price Ward

4   Declaration by members

4.1   Due consideration by Councillors to the agenda

Councillors will be requested to note 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 were submitted.

5   Confirmation of minutes

5.1   Confirmation of previous meetings

Audit and Risk Management Committee Meeting – 8 March 2022

Attachment 5.1A

Committee Recommendation	**005/2022**
Moved	**Cr L Rumble**
Second	**Cr M Lynch**
That Council confirm the minutes of the Audit and Risk Committee Meeting held in Ashburton Hall, Ashburton Avenue, Paraburdoo on 8 March 2022 as a true and accurate record, as include in Attachment 5.1A.	
	Carried 6/0

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.

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 Internal Audit and External Review Status and Process Update

File reference	GR01
Author's name	N Cain
Author's position	Director Corporate Services
Author's interest	Nil
Authorising officer's name	N Cain
Authorising officer's position	Director Corporate Services
Authorising officer's interest	Nil
Name of applicant / respondent	Not Applicable
Date report written	6 May 2022
Previous meeting reference	Not applicable

Summary

The Shire has previously undertaken Internal Audits and External Reviews of financial and other processes and systems.

This report provides an outline of proposed changes to the reporting and resolution of recommendations associated with those Audits and Reviews, and proposes an independent review and assessment be undertaken of those changes.

Internal Auditors from Moore Australia will provide a brief presentation regarding this item.

Committee is requested to recommend Council endorse the proposed reporting changes and the method proposed to review and assess all recommendation resolutions arising from Internal Audits and External Reviews.

Background

The Chief Executive Officer is required to ensure adequate systems and processes are established for the effective management and control of the Shire.

Internal Audits and External Reviews are examples of methods Council may use to ensure sound management of the Shire is occurring.

Recently reports have been prepared by Shire officers, and presented to the Audit and Risk Management Committee, outlining progress on Audits and Reviews, such as –

- Compliance Audit Returns,
- Regulation 17 Review, and
- Internal Audits.

Resourcing issues have prevented satisfactory progress of addressing the recommendations from these Audits and Reviews from occurring, which has prompted a review of the process and reporting.

Comment

The Chief Executive Officer recently met with Auditors from Moore Australia to discuss solutions to progress the recommendations from Audits and Reviews which are currently outstanding, and those which are yet to come from current internal audits, being undertaken by Moore Australia, on the following topics –

- Records Management,
- Fraud and Corruption,
- Payroll and Human Resources,
- Building Licence Application and Approvals Processes,
- Contract Management,
- Cyber Security, and
- Business Continuity, Disaster Recovery, and Incident Management.

It was agreed Moore Australia would undertake oversight of the progress of works towards outstanding recommendations and aid Shire officers, if required.

Additionally, a report will be provided to the Chief Executive Officer each week and discussed with the Shire's Executive Team soon thereafter.

Measurement of progress and assessment of suitability of works towards resolving the recommendations will be reported and monitored to each Audit and Risk Committee Meeting.

Auditors from Moore Australia will be attending this Audit and Risk Committee Meeting to outline the arrangement further and field any questions Council Members may have.

A sample of the report from Moore Australia is attached.

Attachment 7.1A

Consultation
Executive Leadership Team
Middle Management Group
Moore Australia

Statutory environment
Local Government (Audit) Regulations 1996
Regulation 17 CEO to review certain systems and processes
The Chief Executive Officer is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –

- Risk management,
- Internal control, and
- Legislative compliance.

The Chief Executive Officer is to report to the Audit and Risk Management Committee the results of each review.

Financial implications
The costs and length of time this process will be undertaken for is not fully known as Moore Australia are being engaged on a month-to-month basis.

Included within the organisational structure is an Internal Auditor who, depending on other resourcing commitments, may take over from Moore Australia in assisting to address outstanding matters.

Funds currently allocated for this vacant position are assisting to fund the monthly arrangement.

Moore Australia has already been engaged to undertake internal audits in 2021-2022 and 2022-2023, which has been allowed for in future budget estimates.

Strategic implications
Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	Performance – We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	Visionary community leadership with sound, diligent and accountable governance
Strategy	Provide, and lead in the development of, meaningful policies and processes to ensure sound and compliant delivery of services to the community.

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 failures if areas identified for improvement are not addressed	Possible (3)	Major (4)	High (12)	<u>Reputation</u> Substantiated, public embarrassment, widespread loss of community trust, high widespread multiple media profile, third party actions. <u>Compliance</u> Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire / Officers.	Improve processes to monitor, report and progress Audit and Review recommendations.

The following Risk Matrix has been applied:

Risk Matrix						
Consequence **Likelihood**		**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 "High" as Council and the Shire may be at risk from theft, fraud, or corruption if inadequate controls and processes are not improved.

Policy implications

There are no known policy implications for this item.

Voting requirement
Simple majority

Councillor interest declarations
Nil

Officer recommendation
That, with respect to the Internal Audit and External Review Status and Process Update, Committee recommends Council,

a   Endorse the actions of the Chief Executive Officer in engaging Moore Australia to assist in resolving outstanding Internal Audit and External Review matters, and

b   Accepts the revised process of reporting on the progress of resolving outstanding Internal Audit and External Review matters.

Committee Recommendation	**006/2022**
Moved	**Cr L Rumble**
Second	**Cr M Lynch**

That, with respect to the Internal Audit and External Review Status and Process Update, Committee recommends Council,

a   Endorse the actions of the Chief Executive Officer in engaging Moore Australia to assist in resolving outstanding Internal Audit and External Review matters, and

b   Accepts the revised process of reporting on the progress of resolving outstanding Internal Audit and External Review matters.

Carried 6/0

---

8   Next meeting

The next Audit and Risk Management Committee will be held at 8:30am on Tuesday 14 June 2022 at Ashburton Hall, Ashburton Avenue, Paraburdoo.

9   Closure of meeting

There being no further business, the Presiding Member closed the meeting at 8:42am.

Attachment 7.1A - Audit Log Status Update

Internal Audit Log

No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Due Date	Shire Progress Update	Moore Australia Comment	Moore Australia Status
1	22-Apr-21	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	Review of Finance Manual to be undertaken by EOM May 2021.	May-21	**Progress Update as at 2 May 2022** Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdoo and Onslow, which will be used to verify data contained within the Shire's fixed asset register. Additional asset classes will be programmed in future years. 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. Status - Completed	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
2	22-Apr-21	Review of FMR	**2. Fixed Asset Register** Enforce individual accountability for compliance with the Shire's documented procedures.	Medium	Review of Finance Manual to be undertaken by EOM May 2021.	May-21	**Progress Update as at 2 May 2022** Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdoo and Onslow, which will be used to verify data contained within the Shire's fixed asset register. Additional asset classes will be programmed in future years. 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. Status - Completed	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
3	22-Apr-21	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	Checklists to be implemented by EOM March 2021.	Mar-21	**Progress update as at 2 May 2022** •Rates and Sundry Debtors reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist. •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. Status - Complete	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
4	22-Apr-21	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	To be addressed by EOM April 2021.	Apr-21	**Progress update as at 2 May 2022:** 28 February 2022 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 Reconciliation tasks for all the Shire's bank accounts have been incorporated in end of month financial checklist. Currently Bank Reconciliations are performed manually and via excel. An upgrade to Itvision Altus Bank Reconciliations is schedule to be implemented in 2021/2022. Finance Manual to be updated in conjunction with the commencement of the new system. Status - Ongoing **Progress Update:** 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 Reconciliation tasks for all the Shire's bank accounts have been incorporated in end of month financial checklist. Currently Bank Reconciliations are performed manually and via excel. An upgrade to Itvision Altus Bank Reconciliations is schedule to be implemented in 2021/2022.Finance Manual to be updated in conjunction with the commencement of the new system. **Update – September 2021.** Funds to upgrade to Altus included in 2021-2022 budget. System to be implemented.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress

16

#	Date	Category	Recommendation	Priority	Management Response	Target	Progress Update	Status
5	22-Apr-21	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	To be implemented by EOM May 2021.	May-21	**Progress Update:** Staff are currently reviewing new procurement systems to be implemented in 2021/202. The system implementation will incorporate the review and/or development of various council policies, processed and directives, that will be inbuilt into the system to ensure compliance. Additional review of transactions associated with Muzzy's is occurring with key stakeholders set to meet in the near future to resolved issues raised. Status - Ongoing	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
6	22-Apr-21	Procurement	**6. Documented Policies and Procedures** Create checklists for tasks and controls noted within documented policies and procedures to assist with and to evidence compliance	High	To be implemented by EOM May 2021.	May-21	**Progress Update:** Staff are currently reviewing new procurement systems to be implemented in 2021/202. The system implementation will incorporate the review and/or development of various council policies, processed and directives, that will be inbuilt into the system to ensure compliance. Additional review of transactions associated with Muzzy's is occurring with key stakeholders set to meet in the near future to resolved issues raised. Status - Ongoing	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
7	22-Apr-21	Procurement	**7. Delegation of Authority** Enforce individual accountability for compliance with the Shire's recordkeeping requirements and documented procedures.	High	To be addressed by EOM M	Mar-21	**Progress Update:** Current process to be reviewed which may result in amendments to employee delegations to mitigate the concerns raised by the reviewers. A new Record Keeping Program is currently being implemented. This program, in conjunction with reviewed process and procedures will be aligned to ensure best practice and compliance is met. **Update – February 2022.** A review of the proposed records keeping program has indicated that it may not be the recommended program for the Shire. A system health check is being conduct on the current Synergy Soft Records, to assess its suitability either short term or long term.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
8	22-Apr-21	Procurement	**8. Delegation of Authority** Review delegation 1.1.21 and consider updates where required if there are impracticalities to a single officer being required to approve all payments made from the municipal and/or trust fund.	High	To be addressed by EOM March 2021.	Mar-21	**Progress Update:** Current process to be reviewed which may result in amendments to employee delegations to mitigate the concerns raised by the reviewers. A new Record Keeping Program is currently being implemented. This program, in conjunction with reviewed process and procedures will be aligned to ensure best practice and compliance is met. **Update – February 2022.** A review of the proposed records keeping program has indicated that it may not be the recommended program for the Shire. A system health check is being conduct on the current Synergy Soft Records, to assess its suitability either short term or long term.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
9	22-Apr-21	Procurement	**9. Delegation of Authority** Implement systems and controls where reviews of the record of exercise of delegated powers or duties are performed for compliance and accuracy verification.	High	To be addressed by EOM March 2021.	Mar-21	**Progress Update:** Current process to be reviewed which may result in amendments to employee delegations to mitigate the concerns raised by the reviewers. A new Record Keeping Program is currently being implemented. This program, in conjunction with reviewed process and procedures will be aligned to ensure best practice and compliance is met. **Update – February 2022.** A review of the proposed records keeping program has indicated that it may not be the recommended program for the Shire. A system health check is being conduct on the current Synergy Soft Records, to assess its suitability either short term or long term.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress

#	Date	Category	Recommendation	Priority	Action	Due Date	Progress	Comment	Status
10	22-Apr-21	Procurement	**10. Training** A risk based training matrix be implemented to assist with ensuring staff are offered relevant training to ensure their knowledge of legislative and operational requirements is maintained up to date.	Medium	To be addressed by EOM April 2021.	Apr-21	**Progress update as at 2 May 2022:** Procurement training for all staff is already in place, including new starter Procurement e-learning module (recently developed and implemented). This module has already been rolled out to the Shire's entire workforce 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 team regularly invites Shire staff to face 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 Development Programme, covering LG and Shire legislative and operational requirements in detail. Our training calendar for the remainder of this calendar year includes: LG Act (Essentials and Advanced) training (June & July), Procurement and Contract Essentials course and Procurement Planning and Risk course (facilitated by WALGA) (Sept/Oct) **Progress Update:** 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 including those listed by the reviewer. Update – September 2021, Funds for HR online management system included in 2021-2022 budget. System has been sourced and currently being implemented. **Update – February 2022.** Pulse implementation being finalized, with training to cover modules scheduled for the end of March 2022 with Executive and Managers.	Moore received the evidence on training material, attendance logs. **Closed on 12 June 2022.**.	Completed
11	22-Apr-21	Procurement	**11. Conflict of Interest and Confidentiality** Persons assessing or handling any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence prior to the evaluation being undertaken. Procedures for the declaration of interests prior to procurement assessments being undertaken should also be documented for high value purchases and tenders.	Medium	To be addressed by EOM April 2021.	Apr-21	**Progress Update:** 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 definition of significant procurement. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for declarations. **Update – September 2021.** Funds to upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement. System demonstration to be arranged to ensure it meets the requirements of the	The Shire provided several copies of signed Declaration and Confidentiality and Interest forms on 5 different tenders / requests. Also included was the Code of Conduct for Tender Evaluation Panel Members. **Closed on 12 June 2022.**	Completed
12	22-Apr-21	Procurement	**12. Scope and Planning of Projects Cost Estimates** including In addition to the implementation of a risk based training matrix, consider mechanism where project plans and cost estimates are reviewed by appropriately qualified personnel prior to invitations to provide goods/services being issued.	High	Training being implement in	No due date	**Progress update as at 2 May 2022:** In the 2020/21 year, we facilitated the following training: Understanding Building and Construction Tenders and Contracts (Questamon); Project Management (LG Pro); Contract Risk (LGIS); Project Management (AIMWA). 2021/22 - In addition to all of the LG and Procurement related training already mentioned, the following AIM WA training is scheduled: Manage Projects (Aug) and Applied Project Management (Oct). **Progress Update:** Contract management training has been delivered to project management staff. Ongoing training to be provided where identified. Third party consultants are engaged to review scope of works for 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.	**8 June 2022:** Renae Lynch - This is still in progress.	In Progress
13	22-Apr-21	Procurement	**13. Tenders** Review systems and controls in relation to contract management and compliance with tenders to ensure processes remain compliant and align with general good governance principles. Training may also assist for staff involved in tender processes (including contract management) to understand their obligations in relation to legislative compliance.	High	Recommendation to be implemented by June 2021 with ongoing review.	Jun-21	**Progress as at 2 May 2022** In additional to LG training already mentioned, the following WALGA training is scheduled for Sept/Oct this year: Procurement and Contract Essentials and Procurement Planning and Risk. **Progress Update:** In addition to the new procurement platform, Altus Contract Management module has been released by Itvision and currently being investigated as a platform to provide ongoing systems improvements. Contract management training has been delivered to 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 aware of the requirements. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	**8 June 2022:** Renae Lynch - This is still in progress.	In Progress

18

#	Date	Area	Recommendation	Risk	Management Comment	Due date	Progress Update	Response	Status
14	22-Apr-21	Procurement	**14. Evaluations** To help ensure probity and fairness when assessing high value procurement options, at least three persons should assess the procurement option independently of each other. Documented processes should require a higher level of probity and due diligence (including reference checking), the higher the value or risk associated with the purchase.	Medium	Probity Auditor engaged for projects $1m and over. Ad hoc probity also initiated. Recommendation to be implemented.	No due date	**Progress Update:** In addition to the new procurement platform, Altus Contract Management module has been released by Itvision and currently being investigated as a platform to provide ongoing systems improvements. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management	The Shire provided several Declaration of Confidentiality an Interest forms indicating that three or more employees performs evaluations on tenders and quotations. Meetings are set up after each individual evaluation and an overall evaluatuion is performed. Further, the Shire also appointed Santo Casilli from Avant Edge Consulting as the Shire's probity advisor and auditor. **Closed on 12 June 2022.**	Completed
15	22-Apr-21	Procurement	**15. Panels and Pre Qualified Suppliers** Undertake a well considered, risk based approach prior to assessing the merits of establishing and subsequently complying with Pre-Qualified Supplier Panels. Ensure robust processes, systems and controls are in place to support and monitor compliance.	Medium	Recommendation noted	No due date	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process, including considering the use of Panels of Pre-Qualified suppliers.	As per the Purchasing Policy FIN 12, the Shire use WALGA or CUA for panel procurement. FIN 12 describes the procurement processes. Further, FIN 25 - Panels of Prequalified Suppliers has been implemented since 8 September 2020 which describe the process for panel procurement activities including record keeping requirements. **Closed on 12 June 2022.**	Completed
16	22-Apr-21	Procurement	**16. Variations** Review and update FIN22 Procurement Directive to remove the 'conditions of approvals for when entering into contract variations that consider the barter or exchange of services or facilities'. Any ability to enter into contract variations should align with FIN12 Purchasing policy as adopted by Council.	High	Recommendation to be implemented by June 2021 .	Jun-21	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for variations. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management	**8 June 2022:** Renae Lynch - This is still in progress. The Shire is in the process of reviewing FIN 22.	In Progress
17	22-Apr-21	Procurement	**17. Variations** Enforce individual accountability with documented procurement policies and procedures and consider disciplinary action for repetitive compliance breaches.	High	Recommendation to be implemented by June 2021 .	Jun-21	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for variations. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	FIN 12 Purchasing Policy Section 1.4.8 provide the requirements for Contract Renewals, Extensions and Variations. The Shire also implemented PP 099 - Exemption Form for employees to apply for exemptions (variations) The form must be completed, signed and approved by either a Director or the CEO, in accordance with their Financial Limits as set out in FIN 22. **Closed on 12 June 2022.**	Completed
18	22-Apr-21	Procurement	**18. Variations** Update KCA 10 Purchasing, Creditors, Procurement and Payments to provide for current requirements in relation to variations and approvals.	High	Recommendation to be implemented by June 2021 .	Jun-21	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for variations. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	**8 June 2022:** Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress
19	22-Apr-21	Procurement	**19 Segregation of Duties** Review and update levels of permissions within the Shire's ERP to support segregation of duties	Medium	Recommendation to be implemented by April 2021 .	Apr-21	**Progress Update:** New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. **Update – February 2020.** EFTSure is currently being implemented and due to go live in April 2022.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress

#	Date	Department	Recommendation	Risk Level	Response	Due date	Progress Update	Date of update	Status
20	22-Apr-21	Procurement	**20. Segregation of Duties** 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	Recommendation to be implemented by April 2021.	Apr-21	**Progress Update:** New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. **Update – February 2020.** EFTSure is currently being implemented and due to go live in April 2022.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
21	22-Apr-21	Procurement	**21. Approval of Invoices, Compliance with Policies and Procedures** Consider the implementation of authorised checklists and / or workflow diagrams to assist with compliance and understanding of systems and processes to be followed.	Medium	Recommendation noted	No due date	**Progress Update:** Continued monitoring of current practices to ensure compliance. Checklists and workflows will be inbuilt into the new procurement systems to ensure compliance and meeting of best practice.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
22	22-Apr-21	Procurement	**22. Vendor/Supplier Masterfile and Maintenance** 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 (including routine monitoring of audit trails to ensure all changes performed have been authorised).	High	Recommendation to be implemented by April 2021.	Apr-21	**Progress Update:** New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. **Update – February 2020.** EFTSure is currently being implemented and due to go live in April 2022.	**8 June 2022:** Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress
23	22-Apr-21	Procurement	**23. Progress Payments and Purchase Order Tracking** Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.	Medium	Recommendation to be implemented by April 2021.	Apr-21	**Progress Update:** Review being performed as part of end of financial year and will continue throughout the year. Frequent reviews incorporated in the monthly checklist. It is anticipated that new systems will also assist in the monitoring and tracking of progress payments and purchase orders. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
24	22-Apr-21	Procurement	**24. Exemptions for Purchasing Activities** Update policies and procedures to provide clearer instruction and alignment for exemptions to occur.	Medium	Recommendation to be implemented by April 2021.	Apr-21	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for exemptions. Ongoing procurement training to be delivered. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	The Shire updated PP 099 - Exemption Form on 8 June 2021 and it requires employees to apply for exemptions. The form must be completed, signed and approved by either a Director or the CEO, in accordance with their Financial Limits as set out in FIN 22. **Closed on 12 June 2022.**	Completed
25	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	Recommendation to be implemented by April 2021.	Apr-21	**Progress Update:** A review of credit card best practices currently in progress which may include the reduction of the number of card holders and the manner in which a credit card may be used. Corporate Credit Card conditions of use to be developed in line with updated policies, processes, and directives. Continued monitoring of practices to ensure compliance.	**8 June 2022:** Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress
26	22-Apr-21	Procurement	**26. Accounts for Payments listing to Council** The list of payments made by the CEO under delegated authority should be presented to Council with only the minimum information required by legislation, and not as a separate confidential attachment.	Medium	Recommendation to be implemented by April 2021.	Apr-21	**Progress update as at 2 May 2022** Not applicable	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
27	22-Apr-21	Procurement	**27. Regional Price Preference Policy** Where regional price preferencing is to be applied to tender considerations, ensure policies remain in place which have complied with legislative requirements.	Medium	Recommendation noted	No due date	**Progress Update:** The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for applying Regional Price Preference Policy. Ongoing procurement training to be delivered. **Update – September 2021.** Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	The FIN 04 - Regional Price Preference Policy was approved on 10 November 2020 and implemented. **Closed on 12 June 2022.**	Completed

#	Date	Category	Recommendation	Rating	Recommendation Status	Due date	Progress Update	Status
28	22-Apr-21	Risk Management	**28. Resourcing** Appointment of dedicated risk manager who is responsible for the coordination of risk management activities. Regularly consider the resourcing of the risk management function and if it currently meets expectations. This may include the convening of a risk management group to support the risk manager	Medium	Recommendation to be considered by ELT	No due date	**Progress Update:** Risk Management has been identified as a priority, The funding of a new Audit and Governance position has been included in budget considerations and incorporated in the organization review discussions. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2021 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk mangement at the Shire. . **Closed on 9 June 2022.**	Completed
29	22-Apr-21	Risk Management	**29. Alignment to Strategic Plan and Business Plan** Consider and document current and emerging risks in the Strategic Community Plan 2017-2027 and the Corporate Business Plan and how effective risk management is in place.	Medium	Recommendation noted	No due date	**Progress Update:** The documentation is being reviewed prior to December 2021 and will include links to shire corporate documents as well as incorporating risk management.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
30	22-Apr-21	Risk Management	**30. Councill 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	Recommendation to be implemented by EOM June 2021.	Jun-21	**Progress Update:** Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
31	22-Apr-21	Risk Management	**31. Council and Audit and Risk Management Committee** Review the current Audit and Risk Management Committee Terms of Reference to Include risk management responsibilities and to align with better practice principles	Medium	Recommendation to be implemented by EOM June 2021.	Jun-21	**Progress Update:** Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
32	22-Apr-21	Risk Management	**32. Risk Management Annual Work Plan and Calendar** Develop, approve, document, monitor and report on a risk management calendar and annual work plan, which identifies the risk management events that are scheduled to occur to ensure that all deadlines are met.	Minor	Recommendation to be implemented by EOM July 2021.	Jul-21	**Progress Update:** Risk Management has been identified as a priority, subsequently a new Audit and Governance position is currently being proposed and included in budget considerations. On appointment the development of a risk management calendar and annual plan will be given the highest priority. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
33	22-Apr-21	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 management, staff, contractors and volunteers. Ensure that the risk manager and risk owners have induction and regular training to ensure they 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	Recommendation to be implemented by EOM July 2021.	Jul-21	**Progress as at 2 May 2022:** In the 2020/21 year, we facilitated the following training: Understanding Building and Construction Tenders and Contracts (Questamon); Contract Risk (LGIS). 2021/22: A Procurement and Contractors Essentials as well as a Planning and Risk training course have already been arranged, to be delivered by WALGA. Should the Shire make the decision to appoint a Risk Manager, then appropriate training will be delivered, aligned with their role KPI's and development plan. Contractor induction information needs to be provided by the Shire's Project and Procurement Directorate. **Progress Update:** Development of a risk management training calendar to be developed by the Audit and Governance Officer in conjunction with Human Resources and management. System improvements, including new applications and platforms, should assist in the development, monitoring and reporting of the Shire's Risk Management program as well as identifying and delivering of integrated tailored training including inductions. Contractor and volunteer inductions to be developed and inclusive of risk management responsibilities and requirements.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
34	22-Apr-21	Risk Management	**34. Risk Expert** Document consideration of the need for a risk expert in the identification and management of key risks.	Minor	Recommendations noted	No due date	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk management at the Shire. The Shire also introduced the "Employee Handbooks" covering on employee responsibilities, including aspects of risk management. **Closed on 9 June 2022.**	Completed
35	22-Apr-21	Risk Management	**35. Risk Owners** Review off boarding processes and ensure risk management processes and controls are updated to remove terminated staff and to identify new risk owners.	Medium	Recommendation to be implemented by EOM June 2021.	Jun-21	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk mangement at the Shire. The Shire also introduced the "Employee Handbooks" covering on employee responsibilities, including aspects of risk management. **Closed on 9 June 2022.**	Completed

#	Date	Category	Recommendation	Rating	Action	Due date	Progress Update	Follow-up	Status
36	22-Apr-21	Risk Management	**36. Risk Register** Create, implement and maintain an organisational Risk Register and consider: - overlap, duplication 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 ab effective risk management tool- more regular reviews of risks more than annually regular assessment of the shared risks and the impact on the Shire, - the risk 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 line with documented systems and controls	High	Risk Register to be reviewed subject to consultant availability	No due date	**Progress Update:** Updating of the operation risk register and implementing strategic risk register to commence on the appointment of the new Audit and Government position **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
37	22-Apr-21	Risk Management	**37. Risk Appetite, Risk Tolerance Statements and Treatment Action Plans** Develop, approve, monitor and report on a risk appetite, risk tolerance and treatment action plans and then consider these within documented risk management practices. Consider the effectiveness of controls to ensure that treatment action plans are not required to reduce risk to within risk appetite.	High	Risk Register to be reviewed subject to consultant availability	No due date	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position. Once defined, will be incorporated in the future corporate documents. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
38	22-Apr-21	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	Risk Register to be reviewed subject to consultant availability	No due date	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
39	22-Apr-21	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	Risk Register to be reviewed subject to consultant availability	No due date	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
40	22-Apr-21	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	Risk Register to be reviewed subject to consultant availability	No due date	**Progress Update:** This will be addressed on the appointment of the new Audit and Governance position. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
41	22-Apr-21	Risk Management	**41. Audit and Risk Management Committee** Include a summary of the risk management activities as an agenda paper for Audit & Risk Management Committee meetings.	Medium	Recommendation to be implemented by EOM September 2021.	Sep-21	**Progress Update:** As previously mentioned, a review of the term of reference will be reviewed which will incorporate matters raised by the reviewer.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
42	22-Apr-21	Risk Management	**42. Executive Leadership Team** Include a summary of the risk management activities as an agenda paper for Executive Leadership Team meetings.	Medium	Recommendation to be implemented by EOM April 2021.	Apr-21	**Progress Update:** Risk management activities to be incorporated into the agenda on the commencement of the new Audit and Governance Officer.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
43	22-Apr-21	Risk Management	**43. Compliance with Legislative Requirements** Develop and implement a risk management framework / strategy and supporting systems and procedures aligned to the current risk Management Standard, ISO 31000:2018.	Medium	Recommendation to be implemented	No due date	**Progress Update:** Risk management framework / strategies, systems and procedures to be reviewed against and aligned with new standards, to be carried out by the new Audit and Governance Officer. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
44	22-Apr-21	Risk Management	**44. Staff Adherence and Audits** Perform regular external or internal independent assessment of Risk Management to identify improvement opportunities.	Medium	Recommendation to be implemented	No due date	**Progress Update:** Risk management framework / strategies, systems and procedures to be reviewed and aligned with new standards, to be carried out by the new Audit and Governance Officer. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
45	22-Apr-21	Risk Management	**45. Performance Indicators** Develop, approve, document, monitor and report risk management performance indicators or measures to allow expected performance and actual performance to be compared.	Minor	Recommendation to be implemented	No due date	**Progress Update:** To be incorporated as part of the above and coordinated by the new Audit and Governance Officer and development of a new system. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started

22

#	Date	Category	Recommendation	Rating	Response	Due	Progress Update	Status
46	22-Apr-21	Risk Management	**46. Survey of Risk Owners, Management, Staff, Contractors and Volunteers** Survey a selection of risk owners, management, staff, contractors and/ or volunteers to identify continuous improvement opportunities.	Minor	Recommendation to be implemented	No due date	**Progress Update:** To be incorporated as part of the above and coordinated by the new Audit and Governance Officer and development of a new system. **Update – September 2021.** Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
47	22-Apr-21	Grants Management	**47. Application of Grants** Improve systems and controls through establishing set criterion to support decision making and authorisation for grant applications☐	Medium	Recommendations noted	No due date	**Progress Update:** Workflow to be developed that ensures that grant applications are assessed against council's priorities and integrated planning documents prior to submission. Grant Register to be expanded to incorporate the requirements of funding and monitor compliance and ensure best practice is met.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
48	22-Apr-21	Grants Management	**48. Application of Grants** Enforce individual accountability for compliance with the Shire's documented procedures	Medium	Recommendations noted	No due date	**Progress Update:** Workflow to be developed that ensures that grant applications are assessed against council's priorities and integrated planning documents prior to submission. Grant Register to be expanded to incorporate the requirements of funding and monitor compliance and ensure best practice is met.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
49	22-Apr-21	Grants Management	**49. Acquittal of Grants** Review documented procedures to include clearer requirements to support grant acquittals to assist with a higher level review for the timely completion and submission of acquittals and audits.	Medium	Recommendations noted	No due date	**Progress Update:** Development of suitable reporting system to collate and monitor funding performance data which is reported regularly to each department for review and/or action to be delivered in the new financial year.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
50	22-Apr-21	Grants Management	**50. Acquittal of Grants** 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	Recommendations noted	No due date	**Progress Update:** Development of suitable reporting system to collate and monitor funding performance data which is reported regularly to each department for review and/or action to be delivered in the new financial year.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
51	22-Apr-21	Grants Management	**51. Compliance with Grant Conditions** Create a grants matrix to allow higher level analysis and review of compliance with grant conditions and clauses.	Medium	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting request sent to RO to discuss the implementation of the recommendation.	Not Started
52	22-Apr-21	Grants Management	**52. Compliance with Grant Conditions** In addition to the recording of compliance for grant programs, establish a register to maintain records of compliance and non-compliance.	Medium	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting request sent to RO to discuss the implementation of the recommendation.	Not Started
53	22-Apr-21	Grants Management	**53. Governance** Update internal resource library (intranet) to maintain live documents as required by documented procedures.	Minor	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
54	22-Apr-21	Grants Management	**54. Governance** Clarify KCA 3 Grants to define expected compliance requirements and create support documents as required to facilitate compliance.	Minor	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting request sent to RO to discuss the implementation of the recommendation.	Not Started
55	22-Apr-21	Grants Management	**55. Governance** Enforce individual accountability with documented procedures.	Minor	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
56	22-Apr-21	Grants Management	**56. Governance** Undertake an evaluation of current grant programs to identify non-compliant grants and action as required.	Minor	Recommendations noted	No due date	**Progress Update:** To be incorporated into the reporting system – as above.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
57	22-Apr-21	Grants Management	**57. Governance** Document appropriate procedures relating to management of community support grants.	Minor	Recommendations noted	No due date	**Progress Update:** Review of REC08 is currently being conducted.	**12 June 2022:** Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
58	22-Apr-21	Records Management	**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	Recommendation to be implemented	No due date	**Progress Update:** 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. **Update – February 2022 –** 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress

23

#	Date	Category	Recommendation	Priority	Action	Due Date	Progress Update	Comment	Status
59	22-Apr-21	Records Management	**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	Recommendation to be implemented	No due date	**Progress Update:** 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 Plan as well as legislative requirements. **Update – February 2022** – 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
60	22-Apr-21	Records Management	**60. Record Keeping Practices** Enforce individual accountability for compliance with the Shire's recordkeeping requirements.	Medium	Recommendation to be implemented	No due date	**Progress Update:** 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. **Update – February 2022** – 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
61	22-Apr-21	Records Management	**61. Record Keeping Practices** Ensure any updates to the EDRMS comply with legislation and appropriate systems and controls are in place to facilitate its application throughout the organisation.	Medium	Recommendation to be implemented	No due date	**Progress Update:** 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. **Update – February 2022** – 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.	On the basis of the management comments provided we assess the recommendtion as in progress No further supporting evidence has been provided.	In Progress
62	22-Apr-21	Records Management	**62. Record Keeping Plan 2015040** The Shire consider and implement necessary resources to commence immediate review of the Recordkeeping Plan 2015040.	High	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** 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. It is envisioned that the Record Keeping plan will be finalized within the next 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
63	22-Apr-21	Records Management	**63. Record Keeping Plan 2015040** 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	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** 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. It is envisioned that the Record Keeping plan will be finalized within the next 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
64	22-Apr-21	Records Management	**64. Language Control** Review, improve and update the systems and controls for language control within record keeping systems.	High	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** Language control has been incorporated in the new EDRMS. Formal documentation to be prepared and implemented throughout the organization.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
65	22-Apr-21	Records Management	**65. Language Control** Consider review of historic records to identify any high risk considerations which require examination and updates for compliance with approved record keeping practices.	High	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** Language control has been incorporated in the new EDRMS. Formal documentation to be prepared and implemented throughout the organization.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started

24

| #	Date	Category	Recommendation	Risk	Action	Due	Progress Update	Comment	Status
66	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	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress as at 2 May 2022:** The following courses are being scheduled to run this calendar: Introduction to Managing Business Records in LG; Classification and Indexing of Business Records; Retention and Disposal of Business records - all facilitated by WALGA, to be delivered this calendar year still **Progress Update:** 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
67	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	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress as at 2 May 2022:** HR has requested Corporate Services to develop content in consultation with HR for an online e-learning course. With Corporate Services. **Progress Update:** 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
68	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	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress as at 2 May 2022:** 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 blended learning framework is knowledge share, including, not allowing employees to work in isolation. **Progress Update:** 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.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
69	22-Apr-21	Records Management	**69. Training** Test backup procedures, usability and readability of backup tapes/discs on a regular basis.	Medium	Recommendations noted	No due date	**Progress update as at:** Corporate Services to arrange via their external ICT or other consulting providers **Progress Update:** The proposed new system is backed up in accordance with industry best practices standards. Regular testing to take place one system is operational, in line with the Shire's Record Keeping Plan.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
70	22-Apr-21	Records Management	**70. Key Performance Indicators** Refine and develop criteria to assess the performance of the recordkeeping program.	Medium	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** Collection and review of statistics will commence on the implementation of the new EDRSM and will form part of the Shire's performance management platform and written into the Shire's reviewed Record Keeping Plan.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
71	22-Apr-21	Records Management	**71. Key Performance Indicators** Implement a survey mechanism to measure levels of staff satisfaction with recordkeeping operations.	Medium	Recommendation to be initiated by EOM April 2021.	Apr-21	**Progress Update:** Collection and review of statistics will commence on the implementation of the new EDRSM and will form part of the Shire's performance management platform and written into the Shire's reviewed Record Keeping Plan.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
72	22-Apr-21	Records Management	**72. Website Management** Investigate appropriate system solution to capture corporate information published in social media, including internet website.	Medium	Recommendations noted	No due date	**Progress Update:** New Digital Policy has been developed. Guidelines, processes and procedures for the capturing of the shire's website to be developed in line with best practice principles and incorporated into the Shire's Record Keeping plan.	**12 June 2022:** Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation..	Not Started

25

Financial Audit

No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Due Date	Shire Progress Update	Moore Australia Comment	Moore Australia Status
1	30-Jun-16	Comment on Ratios (Asset sustainability Ratio)	**Summary** The Shire ration position, after adjustment for FAGs and Onslow tip closure expenditure, appears reasonably consistent with prior years with improvements in the Current ration but deterioration in both Asset Sustainability and Operating Surplus rations. Whilst some ratios are below the accepted industry benchmark, given the relative strength of the other ration and the Shire's balance sheet, lower rations may be expected and acceptable in the short term, provided other measure/ strategies are maximised. Notwithstanding this a number of the ratios do 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 snap shot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered. We will continue to monitor the financial position and ratios in the future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scares resources of the Shire	Not identified	Not identified	Not identified	Not provided	No evidence provided	Not Started
2	30-Jun-17	Comment on Ratios (Asset sustainability Ratio and Operating Surplus Ratio)	**Summary** The Shire's Ration 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 the rations 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 rations at a particular point in time can only provide a snap shot of the financial position and operating situation of the Shire. As is the case over time with the relevant trends being considered. We will continue to monitor the financial position and ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.	Not identified	Not identified	Not identified	Not provided	No evidence provided	Not Started
3	30-Jun-18	Asset Sustainability Ratio	**Summary** As detailed above, the asset sustainability relation is below the accepted industry benchmark. Given the relative strength of the other ratios and the Shire's balance sheet, a lower ration may be acceptable in the short term provided other measure /strategies are maximised. Notwithstanding this, a number of ratios appear to be trending downwards over the longer term and this should be carefully considered moving forward to avoid the development of an adverse trend. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snap shot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their is much improved if they are calculated as an average over time with the relevant trends being considered.	Not identified	Not identified	Not identified	Not provided	No evidence provided	Not Started
4	30-Jun-19	General Journals	To help maintain the integrity of the accounting information, supporting documentation should be maintained for all journals. In addition, someone more senior than the preparer should authorise all journal entries to be processed in the system, review the correctness of posting after being processed and evidence their approval and review.	Significant	Procedure to be updated in the current Finance Manual. Approval to in line financial approval delegations. Investigate options to restrict access o update and approve journals in Synergy.	31-Jan-20	Not provided	No evidence provided	Not Started
5	30-Jun-19	Valuation of land held for resale	The Shire 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	Moderate	Investigate current market value based on latest Valuer General information	31-Jan-20	Not provided	No evidence provided	Not Started

#	Date	Title	Recommendation	Rating	Management Comment	Date		Evidence	Status
6	30-Jun-19	Excessive annual leave	The Shire should manage and monitor the excessive annual leave accruals to reduce the financial liability, risk of business interruption and fraud.	Moderate	Excessive and high annual leave accruals are reported on the quarterly Human Resources report, per Directorate. Each Director has previously been requested to have discussions with the relevant employee to reduce their annual leave or cash out some of the leave in accordance with clause 10.2. As leave has not decreased for some employees Human Resources will be writing to employees to request that they reduce their annual leave accruals, as outlined in the report. The intention is to do this in January following employees taking leave over Christmas period.	31-Jan-20	Not provided	No evidence provided	Not Started
7	30-Jun-19	Related party declarations	All Shire Councillors and key management staff complete Related Party Disclosure forms for any period that they held office or were employed by the Shire during a financial year. The declaration should also indicate the period of coverage. The shire should ensure these are obtained from councillors and staff prior to them leaving the Shire.	Moderate	Review Governance Procedures relating to Related Party Declarations	31-Mar-20	Not provided	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. Managers should be reminded of their responsibility to manage excessive leave balances and ensure that leave management plans are implemented and enforced.	Moderate	We can confirm that any excessive leave balances are highlighted in the monthly Human Resources report for Executive Leadership Team distribution, awareness and action, with the following: "Directors should discuss the above leave liability with their Managers in order to develop a plan between the Manager and Employee to reduce the leave." The Human Resources Team, work with Managers to issue letters relating to excess leave and we are about to conduct a complete review of all Shire Human Resources Directives, which will include leave management. The Human Resources Team have also developed a formal training program for Managers, consisting of various mandatory courses to support them in the effective management of staff.	9-Feb-21	Not provided	No evidence provided	Not Started
9	30-Jun-20	Related party declarations	Management should implement procedures to ensure all KMP declarations are completed and returned in a timely manner.	Moderate	In September 2020, the Shire implemented the Attain Compliance Management system. This electronic system will assist with the timely collation of returns and declarations in the future.	9-Feb-21	Not provided	No evidence provided	Not Started
10	30-Jun-20	Incorrect capitalisation of minor assets	The Shire should review its fixed asset register to ensure that all items acquired for less than $5,000 have been removed from the register maintain an 'attractive items register' to prevent loss or theft.	Moderate	Along with the monthly reconciliation of asset movements Shire officers review the fixed asset register to ensure items under $5,000 are excluded. To improve the tracking of small or minor assets an items register is currently being created and will be maintained by the finance team.	22-Oct-20	Not provided	No evidence provided	Not Started
11	30-Jun-20	Procurement controls	The Shire should implement a more robust process to identify year end accruals and perform monthly reviews of open purchase orders and close off any long outstanding purchase orders if they are no longer required	Moderate	Open Purchase Orders are reviewed annually around the month of May to assist with preparation of the annual budget. A new process of monthly review is now being implemented.	22-Oct-20	Not provided	No evidence provided	Not Started
12	30-Jun-20	Petty cash controls	It is recommended that when petty cash is used for purchases above the $100.00 limit formal documentation and approval is retained with the petty cash claim form to ensure the expense was used for appropriate business purposes. Petty cash recoup forms should be updated to reflect the Shire's policy for dual verification and staff should be reminded of the petty cash policy.	Minor	A review of the approval process and supporting documentation requirements has been undertaken alongside staff being informed of what is required when using petty cash, in particular those instances of transactions over $100.	22-Oct-20	Not provided	No evidence provided	Not Started
13	30-Jun-21	Not provided	Not provided	Not provided	Not provided	Not provided	Not provided	Not provided	

27

Distribution of Recommendations by Audit Engagement	
Type of Audit E	**Total Recs.**
Internal Audit	72
Financial Audit	12
Performance Audit	0
Total	84

84

Distribution of Recommendations by Audit Engagement

Financial Audit 12 (14%)

Performance Audit 0 (0%)

84

Internal Audit 72 (86%)
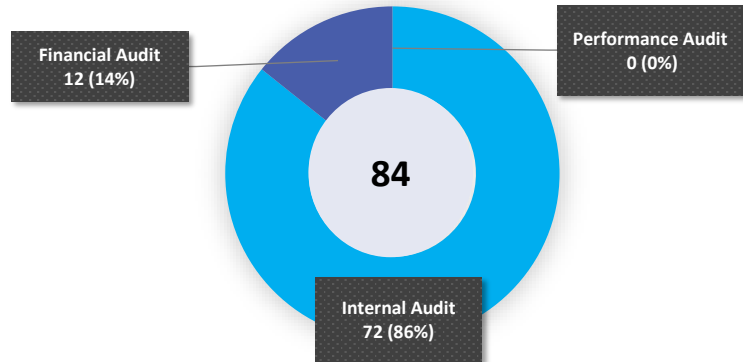
Brekadown of Internal Audit Recommendations	
Row Labels	**Count of Moore Australia Status**
In Progress	35
Not Started	27
Completed	10
Grand Total	**72**

72

Breakdown of Internal Audit Recommendations
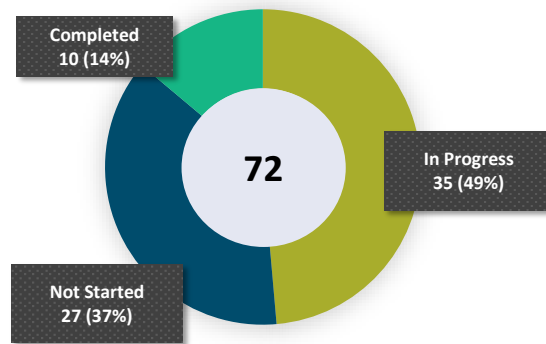
Completed 10 (14%)

72

In Progress 35 (49%)

Not Started 27 (37%)

Brekadown of Financial Audit Recommendations	
Row Labels	**Count of Moore Australia Status**
Not Started	12
(blank)	
Grand Total	**12**

12

Breakdown of Financial Audit Recommendations

12

Not Started 12 (100%)