



Attachments

Audit And Risk Management Committee Meeting

Tuesday, 14 February 2023

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Agenda Item 5.1.1 - Attachment 1

Minutes of the Audit And Risk Management Committee
Meeting held 8 November 2022



Minutes

Audit And Risk Management Committee Meeting

Tuesday, 8 November 2022

Date:	Tuesday 8 November 2022
Time:	9:00am
Location:	Council Chambers, Onslow Shire Complex, Second Avenue, Onslow
Distribution Date:	Wednesday 16 November 2022



**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 Management Committee Meeting.

K Donohoe
Chief Executive Officer
16 November 2022

These minutes were confirmed by Council as a true and accurate record of proceedings at the Audit And Risk Management Committee Meeting held on Tuesday, 8 November 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 8:30am.

1.1 Acknowledgement Of Country

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

2 Announcement Of Visitors

The Presiding Member welcomed Nick Goosen and Michelle Shafizadeh from Moore Australia to the meeting.

3 Attendance

3.1 Present

Elected Members:	Cr K White	Onslow Ward
	Cr M Lynch	Tom Price Ward
	Cr R De Pledge	Ashburton Ward
	Cr M Gallanagh	Pannawonica Ward (joined the meeting at 8:31am)
	Cr L Rumble JP	Paraburdoo Ward
	Cr A Smith	Tom Price Ward
	Cr T Mladenovic	Tom Price Ward
Employees:	K Donohoe	Chief Executive Officer
	C McGurk	Director Projects and Procurement
	T Dayman	Acting Director Corporate Services
	S Kane	Acting Director Infrastructure Services
	J Bray	Manager Governance
	A Furfaro	Governance Officer
	M Barnes	Executive Assistant – Projects and Procurement

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Guests:	Nil
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.
Members of media:	There were no members of the media in attendance at the commencement of the meeting.

3.2 Apologies

Cr J Richardson Tableland Ward

3.3 Approved Leave Of Absence

Cr A Sullivan Paraburdoo Ward From 8 November 2022 to 8 November 2022

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 Declaration 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*.

The following declarations of interest are disclosed –

Nil

Suspension of Standing Orders

Committee Decision

Moved Cr R De Pledge

Seconded Cr L Rumble JP

A motion was moved that Council suspend standing orders at 8:32am.

Carried 7/0

Resumption of Standing Orders**Committee Decision****Moved** Cr T Mladenovic**Seconded** Cr M Gallanagh**A motion was moved that Council resume standing orders at 8:55am.****Carried 7/0****5 Confirmation Of Minutes****5.1 Confirmation Of Previous Minutes****5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 9 August 2022****Committee Decision****Moved** Cr L Rumble JP**Seconded** Cr M Gallanagh**That the Minutes of the Audit And Risk Management Committee Meeting held 9 August 2022 be confirmed as a true and accurate record.****Carried 7/0**

6 Public Agenda Items

6.1 Audit and Risk Management Committee Terms of Reference

File Reference	GV32
Applicant or Proponent(s)	
Author	J Bray, Manager Governance
Authorising Officer	T Dayman, Acting Director Corporate Services
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	<ol style="list-style-type: none"> 1. Draft Audit and Risk Management Committee Terms of Reference 2. Current Audit and Risk Management Committee Terms of Reference

1. Report Purpose

Council is required to consider the draft Audit and Risk Management Committee (Committee) Terms of Reference.

The purpose of this report is to present a revised Terms of Reference to provide clarity on the role of the Committee.

Council is requested to adopt the revised Committee Terms of Reference.

2. Background

In accordance with section 7.1A of the *Local Government Act 1995* (the Act), the local government must establish an audit committee. It is good governance to have an adopted and regularly reviewed Terms of Reference which provides clear responsibilities and guidance on meeting requirements.

Prior to the introduction of Infocouncil, the Terms of Reference were included in section 6 of the Committee agenda template (refer to Attachment 2).

As part of the Risk Management Internal Audit conducted in April 2021, the following was identified:

“Review the current Audit and Risk Management Committee Terms of Reference to include risk management responsibilities and to align with better practice principles.”

3. Comments

A comprehensive review of the current Committee Terms of Reference has been undertaken. The current Terms of Reference only detail the purpose and responsibilities of the Committee.

As part of the review and to align to best practice, the Terms of Reference has expanded to include provisions relating to:

- Delegation – no delegated powers are proposed to be provided to the Committee,
- Membership – no change is proposed to the membership (ie. all elected members are appointed members of the Committee,
- Quorum – in accordance with the *Local Government Act 1995*,
- Meetings – sets out how the Presiding Member and Deputy Presiding Member are elected to the Committee and how and when meetings will be scheduled, and
- Reporting – clarifying that the Committee reports to Council on any recommendations it makes.

The purpose and roles and responsibilities has been amended to provide clarity. Clear Terms of Reference assist the Committee to run efficiently and effectively, which in turn helps the community understand the purpose, structure and function of the Committee.

The Terms of Reference have been removed from the Committee agenda template to allow for ease of review and amendment. The revised Terms of Reference will be made available on the Shire’s website.

In the future, the Terms of Reference will be submitted to the Committee for review biennially following each local government ordinary election.

4. Implications To Consider

4.1 Consultation

Nil

4.2 Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

4.3 Council Policy

Nil

4.4 Financial

Current Financial Year

Nil

Future Financial Year(s)

Nil

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4.5 Legislative

Section 7.1A of the *Local Government Act 1995* requires a local government to establish an audit committee.

Regulation 16 of the *Local Government Act 1995* prescribes the functions of an audit committee.

4.6 Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Elected members are unclear on the roles and responsibilities of the Committee.	Unlikely (2)	Minor (2)	Low (1-4)	Adopt the revised Audit and Risk Management Committee Terms of Reference.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

5. Voting Requirements

Simple Majority

Officer Recommendation

That with respect to the Audit and Risk Management Committee Terms of Reference, the Committee recommends that Council, adopts the revised terms of reference as detailed in Attachment 1.

Committee Decision

Moved Cr L Rumble JP

Seconded Cr M Lynch

That with respect to the Audit and Risk Management Committee Terms of Reference, the Committee recommends that Council, adopts the revised terms of reference as detailed in Attachment 1.

Carried 7/0

6.2 Audit Log Status Update

File Reference	CM52
Applicant or Proponent(s)	
Author	J Bray, Manager Governance
Authorising Officer	T Dayman, Acting Director Corporate Services
Previous Meeting Reference	Ordinary Council Meeting 9 August 2022 - Item 9.3 – 116/2022
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Audit Log as at 2 November 2022

1. Report Purpose

Council is required to review the Audit Log actions.

The purpose of this report is to provide Council oversight of the implementation of actions resulting from internal audits and external reviews.

Council is requested to receive the Audit Log status updates.

2. Background

The Chief Executive Officer (CEO) 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.

Following the finalisation of an internal audit and/or external review, recommendations are included in the Audit Log to ensure progress monitored and recorded.

3. Comments

The Shire of Ashburton has previously undertaken internal audits and external reviews of financial and other processes and systems.

This report provides an update on the implementation of the recommendations from those audits and reviews.

A progress update is provided to the Audit and Risk Management Committee to ensure oversight of the implementation of recommendations as a result of an internal audit and/or external review. Full details of the outstanding actions as shown in Attachment 1.

Internal Audits

A summary of the progress on the implementation of internal audit recommendations is provided in the following table. Please note: the recommendations from the three internal audits listed on the current Audit and Risk Management Committee have been included in the totals.

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Internal Audit	Total Recommendations	Not Started	In Progress	Completed
Review of 2019 FMR	4	0	4	0
Procurement Systems and Controls	23	2	14	7
Risk Management Practices	19	8	8	3
Grants Management	11	10	1	0
Records Management 21	15	6	8	1
Records Management 22	32	22	9	1
Cybersecurity	23	22	1	0
Business Continuity	26	25	1	0
Building Permits	26	26	0	0
Total	179	121	46	12

Two recommendations have been completed since last reported to the Audit and Risk Management Committee on 9 August 2022.

Financial Audits

A summary of the progress on the implementation of financial audit recommendations is provided in the following table.

Financial Year Ended	Total Recommendations	Not Started	In Progress	Completed
30 June 2021	Not received	Not received	Not received	Not received
30 June 2020	5	4	0	1
30 June 2019	4	2	0	2
30 June 2018	1	1	0	0
30 June 2017	1	1	0	0
30 June 2016	1	1	0	0
Total	12	9	0	3

Three recommendations have been completed since last reported to the Audit and Risk Management Committee on 9 August 2022.

Resourcing issues have prevented satisfactory progress of addressing the recommendations from these audits and reviews from occurring.

4. Implications To Consider

4.1 Consultation

The relevant members of the Executive Leadership Team and Middle Management Group were consulted on the progress of the outstanding actions on the Audit Log.

Moore Australia has been provided updates to the Audit Log and verified evidence provided to close actions.

4.2 Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

4.3 Council Policy

Nil

4.4 Financial

Current Financial Year

Nil

Future Financial Year(s)

Nil

4.5 Legislative

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriate and effectiveness of a local government’s systems and procedures in relation to:

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

The CEO is to report to the Audit and Risk Management Committee, the results of each review.

4.6 Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Compliance failures if areas identified for improvement are not addressed.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result of internal audits/external reviews and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high.

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5. Voting Requirements

Simple Majority

Officer Recommendation

That with respect to the Audit Log Status Update, Audit and Risk Management Committee recommends Council, receives the Audit Log.

Committee Decision

Moved Cr T Mladenovic

Seconded Cr M Lynch

That with respect to the Audit Log Status Update, Audit and Risk Management Committee recommends Council, receives the Audit Log.

Carried 7/0

6.3 Internal Audit Report - Cybersecurity

File Reference	CM52
Applicant or Proponent(s)	
Author	J Bray, Manager Governance
Authorising Officer	T Dayman, Acting Director Corporate Services
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Internal Audit Report - Cybersecurity - 1 November 2022 - Confidential

1. Report Purpose

Council is required to review the Internal Audit Report on Cybersecurity.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Cybersecurity.

2. Background

An internal audit on the Shire of Ashburton's systems in relation to cybersecurity risks was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

3. Comments

The internal audit was completed in July 2022 and identified a total of eight (8) findings, three (3) high-risk matters and five (5) medium-risk matters. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

4. Implications To Consider**4.1 Consultation**

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer (CEO), Director Corporate Services and ICT team were consulted during the internal audit and in the collation of the final audit internal report.

4.2 Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.4 Information systems to aid delivery of services to the community are robust, reliable, and secure
Strategy	1 Provide continuous implementation of improvements in Information and Communication Technology solutions to best support the needs of Councillors, employees and, where appropriate, the community.

4.3 Council Policy

Nil

4.4 Financial

Current Financial Year

Costs associated with the implementation of the agreed actions have been identified as minimal and can be met within the current operational budget.

Future Financial Year(s)

Nil

4.5 Legislative

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO 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 CEO is to report to the Audit and Risk Management Committee the results of each review.

4.6 Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Interruption to service	Cybersecurity attack on the Shire’s systems.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.

6.4 Internal Audit Report - Business Continuity

File Reference	CM52
Applicant or Proponent(s)	
Author	J Bray, Manager Governance
Authorising Officer	T Dayman, Acting Director Corporate Services
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Internal Audit Report - Business Continuity - 1 November 2022 - Confidential

1. Report Purpose

Council is required to review the Internal Audit Report on Business Continuity.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Business Continuity.

2. Background

An internal audit on the Shire of Ashburton's business continuity arrangements was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

3. Comments

The internal audit was completed in June 2022 and identified a total of eight (8) findings, three (1) high-risk matters, five (6) medium-risk matters and one (1) low-risk matter. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

4. Implications To Consider**4.1 Consultation**

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer (CEO), Director People and Place, Director Corporate Services and Manager Governance were consulted during the internal audit and in the collation of the final audit internal report.

4.2 Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

4.3 Council Policy

Nil

4.4 Financial

Current Financial Year

Nil.

Future Financial Year(s)

The Shire proposes to engage a consultant to undertake the work to action the recommendations. Quotes will be sought, and an indicative amount will be submitted as part of the 2022/2023 Annual Budget.

4.5 Legislative

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO 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 CEO is to report to the Audit and Risk Management Committee the results of each review.

4.6 Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Interruption to service	Insufficient plans in place to mobilise resources in the event of a disruption to service event.	Likely (4)	Moderate (3)	High (10-16)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high.

6.5 Internal Audit Report - Building Permits

File Reference	CM52
Applicant or Proponent(s)	
Author	J Bray, Manager Governance
Authorising Officer	T Dayman, Acting Director Corporate Services
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Internal Audit Report - Building Permits 2 November 2022 - Confidential

1. Report Purpose

Council is required to review the Internal Audit Report on Building Permits.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Building Permits.

2. Background

An internal audit on the Shire of Ashburton's processes in relation to the assessment of building and demolition permits was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

3. Comments

The internal audit was completed in June 2022 and identified a total of eight (8) findings, two (2) high-risk matters, five (5) medium-risk matters and one (1) low-risk matter. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

4. Implications To Consider**4.1 Consultation**

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer (CEO), Director People and Place and Manager Development Services were consulted during the internal audit and in the collation of the final audit internal report.

4.2 Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

4.3 Council Policy

Nil

4.4 Financial

Current Financial Year

Nil

Future Financial Year(s)

Nil

4.5 Legislative

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO 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 CEO is to report to the Audit and Risk Management Committee the results of each review.

4.6 Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance		Possible (3)	Moderate (3)	Moderate (5-9)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be medium.

7 New Business Of An Urgent Nature Introduced By Council Decision

Nil

8 Next Meeting

The next Audit And Risk Management Committee Meeting is tentatively booked to be held at 8:30am on Tuesday 14 February 2023 at Clem Thompson, Sports Pavilion, Stadium Road, Tom Price.

9 Closure Of Meeting

There being no further business, the Presiding Member closed the meeting at 9:04am.



Agenda Item 6.1 - Attachment 1

Internal Audit Log as at 9 February 2023



Shire of Ashburton

Internal Audit Log				Current Review Date:			9-Feb-23			
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed action	Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
1	22-Apr-21	Review of FMR	Fixed Asset Register	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.	01-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	Fixed Asset Register	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.	01-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	Debtors	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.	01-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	Bank Reconciliations	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.	01-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
5	22-Apr-21	Procurement	Documented Policies & Procedures	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.	01-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 December 2022: The Shire has provided an Updated FIN22 Authority to purchase or procure. Please refer to recommendation 181. 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed - MA Comment
6	22-Apr-21	Procurement	Documented Policies & Procedures	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.	01-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	Delegation of Authority	7. Delegation of Authority Enforce individual accountability for compliance with the Shire's recordkeeping requirements and documented procedures.	High	To be addressed by EOM March 2021.	01-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	Delegation of Authority	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.	01-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 December 2022: The Shire has provided a Delegation of authority (01.01.16 - Payments from the Municipal or Trust Funds) Documents. In the Document, we can see that the Council does give the CEO authority to make Payments from municipal fund or trust fund, restrictions on making. The CEO also gives Delegates this power to subdelegates. Was reviewed on 12 April 2022 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed
9	22-Apr-21	Procurement	Delegation of Authority	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.	01-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
10	22-Apr-21	Procurement	Training	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.	01-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	Conflict of Interest & Confidentiality	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.	01-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 organization.	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	Scope & Planning of Projects	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 relation to scope preparation. External expertise to be engaged for review as required.	No due date	<p>Progress Update as at 12 January 2023 Relevant Staff have received contract management and Risk management training from an external supplier. This is ongoing training the Shire are committed to. Procurement will support this training by providing refresher training for staff.</p> <p>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).</p> <p>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.</p>	31 January 2023: No evidence provided.	In Progress
13	22-Apr-21	Procurement	Tenders	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.	01-Jun-21	<p>Progress Update 12 January 2023 Shire is still receiving information around Contact management software. Procurement are canvassing other LG to gauge the opinion of software they may have.</p> <p>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.</p> <p>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.</p>	31 January 2023: No evidence provided.	In Progress
14	22-Apr-21	Procurement	Evaluations	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	<p>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</p>	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 evaluation 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	Panels & Pre Qualified Suppliers	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	<p>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.</p>	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	Variations	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 .	01-Jun-21	<p>Progress update as at 12 January 2023 FIN22 Authority to Purchase and Procure Directive has been approved as of October please see attachments, this will be reviewed on a monthly basis by Procurement and any changes that are required will be reported to CEO and Directors</p>	<p>8 Feb 2023: FIN22 Authority to purchase or procure is currently being reviewed due to the organisational restructure. The proposed amendment will be considered as part of this review.</p> <p>31 January 2023: Purchasing Policy (FIN12) does not account for variations under the tender threshold. Changes are insufficient to close. To discuss further. No status change.</p>	In Progress
17	22-Apr-21	Procurement	Variations	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 .	01-Jun-21	<p>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.</p>	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	Variations	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 .	01-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	Segregation of Duties	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 .	01-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
20	22-Apr-21	Procurement	Segregation of Duties	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 .	01-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	Approval of Invoices	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	Vendor/Supplier Masterfile & Maintenance	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 .	01-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	Progress Payments and Purchase Order Tracking	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 .	01-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	Exemptions for Purchasing Activities	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 .	01-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	Credit Cards	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 .	01-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 February 2023: Council Policy EMP24 Corporate Credit Card is currently under review. It is anticipated this policy will be submitted to Council in March 2023. 8 June 2022: Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress
26	22-Apr-21	Procurement	Accounts for Payments Listing to Council	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 .	01-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	Regional Price Preference Policy	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
28	22-Apr-21	Risk Management	Resourcing	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 management at the Shire. . Closed on 9 June 2022.	Completed

29	22-Apr-21	Risk Management	Alignment to Strategic Plan & Business Plan	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 December 2022: Updated SCP adopted by council, mentions risk identification but does not specify risks identified. CBP review has not yet commenced. 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	Council & Audit & Risk Mgmt Committee	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	Recommendation to be implemented by EOM June 2021.	01-Jun-21	25 January 2023: Status update Council adopted the review of the Risk Management Policy on 13 December 2022 12 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review Policy CORP5 Risk Management. This is proposed to be presented to Audit and Risk Management Committee in February 2023. Progress Update: Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	31 January 2023: Risk Framework does not cover responsibilities of all relevant roles required. Have not received Policy. No status change. 25 January 2023: Elrich: We may need to review again but it only tells you the responsibility of the CEO 12 December 2022: Workshops held to review CORP5 Risk Mgmt - No evidence received. 12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
31	22-Apr-21	Risk Management	Council & Audit & Risk Mgmt Committee	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.	01-Jun-21	25 January 2023: Council adopted the review of the Audit and Risk Management Committee Terms of Reference on 13 December 2022 12 December 2022: The Audit and Risk Management Committee Terms of Reference are currently under review and are proposed to be presented to Committee at its November 2022 meeting. Progress Update: Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	8 February 2023: Updated Audit and Risk Management Committee Terms of Reference were endorsed at the Council meeting held on 13 December 2023. 12 December 2022: The Audit and Risk Management Committee Terms of Reference are currently under review and are proposed to be presented to Committee at its November 2022 meeting - no evidence of such received. 12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Completed
32	22-Apr-21	Risk Management	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.	Low	Recommendation to be implemented by EOM July 2021.	01-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	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.	Low	Recommendation to be implemented by EOM July 2021.	01-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	Risk Expert	34. Risk Expert Document consideration of the need for a risk expert in the identification and management of key risks.	Low	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	Risk Owners	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.	01-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 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

36	22-Apr-21	Risk Management	Risk Register	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	12 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. The Operational Risk Register is currently being reviewed by staff and will be submitted to ELT for endorsement in the near future. 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 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. The Operational Risk Register is currently being reviewed by staff and will be submitted to ELT for endorsement in the near future - no evidence received. 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	Risk Appetite, Risk Tolerance Statements & Treatment	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	12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023. 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 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received. 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	Risk Management Strategy	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	12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023. 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 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received. 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	Special Activities & Project Risks	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	25 January 2023: LGIS has developed a risk assessment tool for the Shire (attached) which can be adapted and used for events and projects. This will be circulated to staff in the first quarter of 2023. 12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS. As part of this work LGIS has developed a tool for the Shire to assess risks. This will be implemented following Council's adoption of the documents mentioned above. 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	31 January 2023: Tool provided is for the Shire's Risk Profile and cannot be used for individual risk assessments. Proposed to revert status to In Progress. 25 January 2023: We have received the tool 12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS. As part of this work LGIS has developed a tool for the Shire to assess risks. This will be implemented following Council's adoption of the documents mentioned above - no evidence received. 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	Embedded 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	Audit & Risk Management Committee	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.	01-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	Executive Leadership Team	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.	01-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	Compliance with Legislative Requirements	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	<p>25 January 2023: LGIS has reviewed the Shire's current Risk Management Framework (attached). This will be circulated to staff for comment in the first quarter of 2023. This will be submitted to the Audit and Risk Committee for endorsement once finalised.</p> <p>12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023.</p> <p>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</p>	<p>31 January 2023: Framework received accounts for ISO standard, yet to received Risk Management Policy. No status change.</p> <p>12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received.</p> <p>12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.</p>	In Progress
44	22-Apr-21	Risk Management	Staff Adherence and Audits	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	<p>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</p>	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	Performance Indicators	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.	Low	Recommendation to be implemented	No due date	<p>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</p>	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
46	22-Apr-21	Risk Management	Survey of Risk Owners, Management, Staff, Contractors & Volunteers	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.	Low	Recommendation to be implemented	No due date	<p>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</p>	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	Application of Grants	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	<p>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.</p>	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	Application of Grants	48. Application of Grants Enforce individual accountability for compliance with the Shire's documented procedures	Medium	Recommendations noted	No due date	<p>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.</p>	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	Acquittal of Grants	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	<p>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.</p>	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	Acquittal of Grants	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	<p>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.</p>	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	Compliance with Grant Conditions	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	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
52	22-Apr-21	Grants Management	Compliance with Grant Conditions	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	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
53	22-Apr-21	Grants Management	Governance	53. Governance Update internal resource library (intranet) to maintain live documents as required by documented procedures.	Low	Recommendations noted	No due date	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	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	Governance	54. Governance Clarify KCA 3 Grants to define expected compliance requirements and create support documents as required to facilitate compliance.	Low	Recommendations noted	No due date	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
55	22-Apr-21	Grants Management	Governance	55 Governance Enforce individual accountability with documented procedures.	Low	Recommendations noted	No due date	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	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	Governance	56 Governance Undertake an evaluation of current grant programs to identify non-compliant grants and action as required.	Low	Recommendations noted	No due date	<p>Progress Update: To be incorporated into the reporting system – as above.</p>	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	Governance	57. Governance Document appropriate procedures relating to management of community support grants.	Low	Recommendations noted	No due date	<p>Progress update as of 10 January 2023: Awaiting council approval</p> <p>Progress Update: Review of REC08 is currently being conducted.</p>	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	Record Keeping Practices	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.	8 February 2023: The Shire has investigated alternative records management systems. A report is being prepared for the Executive Leadership Team to endorse a preferred new system. The system will not meet this action, which is deemed unnecessary for an organisation of this size. 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
59	22-Apr-21	Records Management	Record Keeping Practices	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 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
60	22-Apr-21	Records Management	Record Keeping Practices	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	Record Keeping Practices	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.	8 February 2023: All updates to SynergySoft Central Records are actioned by its provider, IT Vision who are fully conversant and compliant with State and local government record keeping requirements.	Completed
62	22-Apr-21	Records Management	Record Keeping Plan 2015040	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.	01-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.	Validated by Moore Australia and closed on 31 October 2022	Completed
63	22-Apr-21	Records Management	Record Keeping Plan 2015040	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.	01-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	Language Control	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.	01-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	Language Control	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.	01-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
66	22-Apr-21	Records Management	Training	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.	01-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.	8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required. 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed
67	22-Apr-21	Records Management	Training	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.	01-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.	8 February 2023: Evidence of training provided 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed

68	22-Apr-21	Records Management	Training	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.	01-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.	8 February 2023: The Records and Customer Service Coordinator commenced 19 September 2022. This role is responsible for managing the Shire's records, systems and education of end users. The incumbent holds a Diploma in Recordkeeping. 12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed
69	22-Apr-21	Records Management	Training	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 once 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	Key Performance Indicators	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.	01-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	Key Performance Indicators	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.	01-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	Website 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
73	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Review the policies and guidelines and develop supporting operating procedures to ensure they reflect current practice requirements	Medium	Agreed	31-Dec-22	12 December 2022: Policy ADM04 Digital Information and Records has been reviewed and submitted to Council for adoption 11 October 2022. 31 October 22: Digital Information and Records Policy endorsed by Council 11 October 2022. Review of operating procedures and directives commenced. Council minutes – 11 October 2022 Council attachments – 11 October 2022.	12 December 2022: Policy ADM04 Digital Information and Records has been reviewed and submitted to Council for adoption 11 October 2022 - received - requires further evidence.	In Progress
74	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Ensure the records management policies and guidelines and operating procedures are approved by the CEO or Executive Leadership Team	Medium	Agreed	31-Dec-22	31 October 22: Digital Information and Records Policy endorsed by Council 11 October 2022. Review of operating procedures and directives commenced. Council minutes – 11 October 2022 Council attachments – 11 October 2022.		In Progress
75	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Communicate the Records Management Policies and operating procedures to all staff within the organisation	Medium	Agreed	31-Dec-22	Records Coordinator sent email to all staff with procedure manual and guidelines.	12 December 2022: Moore Australia did Receive the Email the Shire sent out to the Shire Staff. The email did offer one on one training and also gave links to the Shire Records User Guide. It also talks about providing records induction training and follow up training.	Completed - MA Comment
76	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Copies of the Records Management Policies and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis	Medium	Agreed	31-Dec-22	31 October 2022: All Council policies are available on the Shire's website. Records User Guide, procedures and guidelines are available on AIMS.	8 February 2023: All current records management internal documents are available on the Shire's intranet (AIMS) under Governance. The Policy is available on the Shire's website and there is a link to all policies available via AIMS.	Completed
77	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Establish a program of reviewing the Records Management policies and procedures at a minimum every two years.	Medium	Agreed	31-Dec-22		8 February 2023: All policies are currently being reviewed and as reviewed are being set with a biennial review date. A review schedule will be created and endorsed by the Executive Leadership Team following the completion of this review. Procedure review dates will be set as they are reviewed, as set out in the template.	In Progress
78	15-Jul-22	Records Management 22	Record Keeping plan (Statutory obligation)	Review the Record Keeping Plan to ensure they reflect current practice requirements	High	Agreed	31-Dec-22	12 December 2022: The review of the Recordkeeping Plan has commenced and is proposed to be presented to the State Records Office by 31 December 2022. 31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. It is anticipated the review will be finalised by 31 December 2022.	12 December 2022: The review of the Recordkeeping Plan has commenced and is proposed to be presented to the State Records Office by 31 December 2022 - no evidence received.	In Progress
79	15-Jul-22	Records Management 22	Record Keeping plan (Statutory obligation)	Ensure that it is approved by the CEO or Executive management and the State Records Commission.	High	Agreed	31-Dec-22	12 December 2022: The review of the Recordkeeping Plan has commenced and is proposed to be presented to the State Records Office by 31 December 2022.	12 December 2022: The review of the Recordkeeping Plan has commenced and is proposed to be presented to the State Records Office by 31 December 2022 - no evidence received.	In Progress
80	15-Jul-22	Records Management 22	Records Management System	Map all record keeping systems currently used within the Shire	High	Agreed	31-Dec-22		8 February 2023: An internal review of all business information systems is being undertaken as part of the Recordkeeping Plan review.	In Progress
81	15-Jul-22	Records Management 22	Records Management System	CEO approve which records systems should be used for records management	High	Agreed	31-Dec-22		8 February 2023: The Shire has investigated alternative records management systems. A report is being prepared for the Executive Leadership Team to endorse a preferred new system.	In Progress
82	15-Jul-22	Records Management 22	Records Management System	Communicate the approved list of records systems to all staff; including their responsibilities	High	Agreed	31-Dec-22			In Progress
83	15-Jul-22	Records Management 22	Records Management System	ensure that the systems are regularly maintained and key documents remain current.	High	Agreed	31-Dec-22			Not Started

84	15-Jul-22	Records Management 22	Systems access and records classification	Develop a document or register that classifies key records by access or confidential level and the associated security classification	Medium	Agreed	30-Jun-23			Not Started
85	15-Jul-22	Records Management 22	Systems access and records classification	Ensure that the document is approved by the CEO or the relevant delegated authority	Medium	Agreed	30-Jun-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress
86	15-Jul-22	Records Management 22	Systems access and records classification	Communicate to relevant staff	Medium	Agreed	30-Jun-23			Not Started
87	15-Jul-22	Records Management 22	Systems access and records classification	Ensure that records are classified as per the approved document.	Medium	Agreed	30-Jun-23			Not Started
88	15-Jul-22	Records Management 22	Training Program for Records Management	Establish an ongoing training program for all staff on records management including refresher training	Medium	Agreed	30-Jun-23		8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required.	Completed
89	15-Jul-22	Records Management 22	Training Program for Records Management	Ensure that the program is approved by the CEO or the delegated authority	Medium	Agreed	30-Jun-23		8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required.	Completed
90	15-Jul-22	Records Management 22	Training Program for Records Management	Maintain an up to date log of when staff last completed their training	Medium	Agreed	30-Jun-23	31 October 2022: In August 2022, the Records team commenced recording training of staff in a register.	Validated by Moore Australia and closed on 31 October 2022	Completed
91	15-Jul-22	Records Management 22	Training Program for Records Management	Set minimum timeframes for when staff should attend the refresher training	Medium	Agreed	30-Jun-23		8 February 2023: Minimum timeframes for staff refresher training will be included in the Recordkeeping Plan. The review of this document is in progress.	In Progress
92	15-Jul-22	Records Management 22	Training Program for Records Management	Ensure staff attend the training and refresher courses.	Medium	Agreed	30-Jun-23		8 February 2023: Validated by Moore through training register.	Completed
93	15-Jul-22	Records Management 22	Sustained program for Records disposal	Establish a sustained annual program of records disposal and retention	Medium	Agreed	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.	8 February 2023: Preparation of annual disposal of records due for destruction has commenced on the backlog of stored records. Future disposal programs will be on a financial year basis in general. Details will be documented in the Recordkeeping Plan which is currently under review.	In Progress
94	15-Jul-22	Records Management 22	Sustained program for Records disposal	Conduct a risk assessment to determine which records will be retained as state archives or disposed	Medium	Agreed	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress
95	15-Jul-22	Records Management 22	Sustained program for Records disposal	Ensure all approvals are sought and evidence and relevant records are maintained.	Medium	Agreed	31-Dec-23			Not Started
96	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Develop KPI's for monitoring compliance and performance of the records and information management function	Medium	Agreed	30-Jun-23			Not Started
97	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Ensure KPI's are approved by the Executive or relevant delegated authority	Medium	Agreed	30-Jun-23			Not Started
98	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Have a standard agenda item on a regular basis to discuss records management matters; and	Medium	Agreed	30-Jun-23			Not Started
99	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Regularly report to the Executive and Audit and Risk Committee level	Medium	Agreed	30-Jun-23			Not Started
100	15-Jul-22	Records Management 22	Compliance Monitoring and Evaluation	Determine the frequency and method of monitoring compliance	Medium	Agreed	30-Jun-23			Not Started
101	15-Jul-22	Records Management 22	Compliance Monitoring and Evaluation	Regularly monitor; and report to executive and the Audit and Risk Committee the outcomes.	Medium	Agreed	30-Jun-23			Not Started
102	15-Jul-22	Records Management 22	Records Emergency Management Plan	Review the Records Emergency Management Plan	Medium	Agreed	31-Dec-23	12 December 2022: The review of the Records Emergency Management Plan has commenced and is being undertaken in conjunction with the Recordkeeping Plan review. It is proposed these documents will be presented to the State Records Office by 31 December 2022. 31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.	12 December 2022: The review of the Records Emergency Management Plan has commenced and is being undertaken in conjunction with the Recordkeeping Plan review. It is proposed these documents will be presented to the State Records Office by 31 December 2022 - no evidence received.	In Progress

103	15-Jul-22	Records Management 22	Records Emergency Management Plan	Ensure it is approved by the CEO and the relevant delegated authority	Medium	Agreed	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress
104	15-Jul-22	Records Management 22	Records Emergency Management Plan	Made available to all staff.	Medium	Agreed	31-Dec-23			Not Started
105	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Establish a Cybersecurity Framework and supporting procedures that align with the WA Government Cybersecurity Policy and the Australian Government Information Security Manual	High	Agreed. Develop a Cybersecurity Framework and supporting procedures that align with the WA Government Cybersecurity Policy and the Australian Government Information Security Manual	31-Dec-22		8 February 2023: Cybersecurity Framework is currently being drafted.	In Progress
106	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Ensure the Cyber Security Framework and supporting operating procedures are approved by the CEO, Executive Leadership Team or the relevant delegated authority	High	Agreed. Have the Cybersecurity Framework endorsed by the ICT Working group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
107		Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Ensure the Cyber Security Framework and supporting operating procedures are approved by the CEO, Executive Leadership Team or the relevant delegated authority	High	Agreed. Have the supporting operating procedures approved by the Director Corporate Services	28-Feb-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
108	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Communicate the framework and supporting operating procedures to all staff within the organisation	High	Agreed. Communicate the framework and supporting operating procedures to all staff within the organisation;	31-Mar-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
109	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Copies of the framework and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis	High	Agreed. Copies of the framework and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis;	31-Mar-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
110	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Establish a program of reviewing framework and operating procedures at a minimum every two years	High	Agreed. Establish a program of reviewing framework and operating procedures at a minimum every two years.	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
111	01-Nov-22	Cyber Security	Staff Awareness and Training on Cyber Security	Establish cybersecurity training at induction, and an ongoing training program for all staff on cybersecurity awareness including refresher training	High	Agreed. Establish cybersecurity training at induction, and an ongoing training program for all staff on cybersecurity awareness including refresher training.	30-Apr-23			Not Started
112	01-Nov-22	Cyber Security	Staff Awareness and Training on Cyber Security	Maintain an up-to-date log of when staff last completed their training	High	Agreed. Maintain an up-to-date log of when staff last completed their training.	30-Jun-23			Not Started
113	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Conduct cyber security risk assessment at planned intervals (including using existing information to inform the assessments)	Medium	Agreed. Schedule of planned intervals for conducting cybersecurity risk assessments to be incorporated into the Cybersecurity Framework and operating procedures	28-Feb-23			Not Started
114	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Retain documented information of the results of the risk assessment	Medium	Agreed. Register maintained of risk assessments conducted in accordance with the framework and procedures	30-Sep-23			Not Started
115	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Update key governance documents and processes post performing the risk assessment	Medium	Agreed. Register maintained of risk assessments conducted in accordance with the framework and procedures	30-Sep-23			Not Started
116	01-Nov-22	Cyber Security	Testing for control weakness and Cyber security threats (including penetration testing)	Establish an annual program of testing vulnerabilities (including penetration testing) which can be performed in house by staff with appropriate skills and experience or externally by consultants	Medium	Agreed. Incorporate an annual program of testing vulnerabilities into the Cybersecurity Framework and supporting operating procedures	31-Jan-23			Not Started
117	01-Nov-22	Cyber Security	Testing for control weakness and Cyber security threats (including penetration testing)	Develop processes for documenting and addressing identified vulnerabilities in a timely manner	Medium	Agreed. Develop processes for documenting and addressing identified vulnerabilities in a timely manner.	28-Feb-23			Not Started
118	01-Nov-22	Cyber Security	Physical security of key assets (including Server rooms)	Ensure that physical access to the server room is restricted to only those with authorised access to protected information systems and monitored to prevent unauthorised access and accidental damage	Medium	Agreed. Review current security measures and incorporate acceptable restrictions for authorised access into the Shire's Cybersecurity Framework	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
119	01-Nov-22	Cyber Security	Physical security of key assets (including Server rooms)	Ensure that physical access to the server room is restricted to only those with authorised access to protected information systems and monitored to prevent unauthorised access and accidental damage	Medium	Agreed. Ensure security measures included in the framework are implemented	30-Sep-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress

120	01-Nov-22	Cyber Security	Reporting of Cyber Security Incidents and Threats	Establish processes for identifying recording and reporting cyber security incidents to the relevant external entities and internally to the relevant authority	Medium	Agreed. Incorporate cybersecurity recording, and reporting measures and frequency in the Cybersecurity Framework, including regular reporting to the ICT Working Group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
121	01-Nov-22	Cyber Security	Reporting of Cyber Security Incidents and Threats	Determine the frequency and key areas that the reporting will cover	Medium	Agreed. Incorporate cybersecurity recording, and reporting measures and frequency in the Cybersecurity Framework, including regular reporting to the ICT Working Group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
122	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including Cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	Medium	Agreed. Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	31-Jan-23			Not Started
123	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Agreed. Review the end-of-life cycle of the backup ICT infrastructure installed at Onslow Airport in late 2016; and	Review completed			In Progress
124	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Agreed. Develop an ICT asset replacement program	30-Jun-23			In Progress
125	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	Medium	Agreed. Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	30-Sep-23			Not Started
126	01-Nov-22	Cyber Security	Management of removable media devices (USB and Flash drives) & Trusted Insider Program	Establish a removeable media arrangement or policy that outlines the Shires expectation on the use, handling and protection of removable media	High	Agree in part. Options will need to be discussed with ELT. Incorporate removeable media arrangements into the Cybersecurity Framework	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
127	01-Nov-22	Cyber Security	Management of removable media devices (USB and Flash drives) & Trusted Insider Program	Establish arrangements for monitoring unauthorised data access and excessive use of removable media	High	Agree in part. Options will need to be discussed with ELT. Incorporate monitoring arrangements of non-permitted use of removable media into the Cybersecurity Framework	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
128	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Review the Shire's Business Continuity Management Arrangements (BCMA) to ensure they reflect current practice requirements and better practice principles from AS ISO 22301:2020 Security and Resilience	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. Review Business Continuity Management Arrangements (BCMA) ensuring it adheres current practice requirements and better practice principles from AS ISO 22301:2020 Security and Resilience .	30-Sep-23			Not Started

129	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Ensure the BCMA, are approved by the CEO or Executive Leadership Team	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. Have the BCMA approved by the Executive Leadership Team.	31-Dec-23			Not Started
130	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Communicate the BCMA, to all staff within the organisation	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. Communicate the BCMA to all staff within the organisation.	31-Jan-24			Not Started
131	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Copies of the BCMA, be made available and easily accessible to staff and relevant contractors at induction and ongoing basis; and hard copies to be retained by those with BCP role responsibilities within the Shire	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. BCMA be made available and easily accessible to staff and relevant contractors at induction and ongoing basis; and hard copies to be retained by those with BCP role responsibilities within the Shire.	31-Jan-24			Not Started
132	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Establish a program of reviewing the Business Continuity Management Arrangements, at a minimum every one year	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. Review frequency to be incorporate in the revised Business Continuity Management Arrangements.	30-Sep-23			Not Started

133	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Risk and Business Impact Assessment	Conduct Risk Assessment and Business Impact Assessment	Medium	Agreed. Shire to engage a suitably qualified consultant to ensure these measures are implemented. Incorporate Risk and Business Impact Assessment into Shire Business Continuity Management Arrangements, including regular reviews.	30-Sep-23			Not Started
134	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Risk and Business Impact Assessment	Use findings to update the business continuity arrangements	Medium	Agreed. Shire to engage a suitably qualified consultant to ensure these measures are implemented. Identified findings to be incorporate in the review of the Shire Business Continuity Management Arrangements.	30-Sep-24			Not Started
135	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Develop an ICT Disaster recovery plan which outlines the overall strategy for recovery ICT reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	Medium	Agreed. Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire;	31-Jan-23			Not Started
136	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Agreed. Review the end-of-life cycle of the backup ICT infrastructure installed at Onslow Airport in late 2016;	Review completed			In Progress
137	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Agreed. Develop an ICT asset replacement program.	30-Jun-23			Not Started
138	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	Medium	Agreed. Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle.	30-Sep-23			Not Started
139	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Establish a program of exercising and testing of the BCP arrangements	Medium	Agreed. Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Establish a program of exercising and testing of the BCP arrangements;	30-Sep-23			Not Started
140	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Ensure the program is performed on a timely basis	Medium	Agreed. Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Ensure the program is performed on a timely basis;	30-Sep-24			Not Started
141	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Document post testing exercise reports that contain outcomes, recommendations and actions to implement improvements	Medium	Agreed. Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Document post testing exercise reports that contain outcomes, recommendations and actions to implement improvements.	30-Sep-24			Not Started
142	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Establish an ongoing training program for staff on business continuity including refresher training	Medium	Agreed. Budget should be amended to provide appropriate training. Establish an ongoing training program for staff on business continuity including refresher training	30-Sep-23			Not Started
143	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Ensure that the program is approved by the CEO or the delegated authority	Medium	Agreed. Budget should be amended to provide appropriate training. Ensure that the program is approved by the CEO or the delegated authority	31-Oct-23			Not Started

144	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Maintain an up-to-date log of when staff last completed their training	Medium	Agreed. Budget should be amended to provide appropriate training. Maintain an up-to-date log of when staff last completed their training	30-Jun-24			Not Started
145	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Set minimum timeframes for when staff should attend the refresher training	Medium	Agreed. Budget should be amended to provide appropriate training. Set minimum timeframes for when staff should attend the refresher training	30-Sep-23			Not Started
146	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Ensure staff the attend the training and refresher courses	Medium	Agreed. Budget should be amended to provide appropriate training. Ensure staff the attend the training and refresher courses.	30-Jun-24			Not Started
147	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Develop reporting and for monitoring compliance and performance of the Shire's business continuity management arrangements	Medium	Agreed. Appropriate governance framework should be developed whilst undertaking a major review. Develop reporting for monitoring compliance and performance of the Shire's business continuity management arrangements	30-Jun-24			Not Started
148	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Ensure the requirements are approved by the CEO, Executive or relevant delegated authority	Medium	Agreed. Appropriate governance framework should be developed whilst undertaking a major review. Ensure the requirements are approved by the CEO, Executive or relevant delegated authority;	30-Jun-24			Not Started
149	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Regularly report to the executive and Audit and Risk Committee level	Medium	Agreed. Appropriate governance framework should be developed whilst undertaking a major review. Regularly report to the Executive Leadership Team.	30-Sep-24			Not Started
150	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Compliance Monitoring	Determine the frequency and method of monitoring compliance	Medium	Agreed. Determine the frequency and method of monitoring compliance	30-Jun-24			Not Started
151	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Compliance Monitoring	Regularly monitor; and Report to executive and the Audit and Risk Committee the outcomes	Medium	Agreed. Regularly monitor; and report to the Executive Leadership Team on the outcomes.	30-Sep-24			Not Started
152	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Budget for Business Continuity Management	The Shire should allocate a budget for its business continuity, which covers activities such as training, scenario testing, hiring of consultants where required	Low	Agreed. Allocate a budget for business continuity, which covers activities such as training, scenario testing, hiring of consultants where required.	31-Aug-23			Not Started
153	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Budget for Business Continuity Management	The Shire should allocate a budget for its business continuity, which covers activities such as training, scenario testing, hiring of consultants where required	Low	Agreed. Allocate a budget for business continuity, which covers activities such as training, scenario testing, hiring of consultants where required.	31-Aug-23			Not Started
154	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Develop an overarching policy for building services including the management of development and demolition application process;	Medium	Develop a Directive for building services, including the management of development and demolition application processes.	31-Jan-23			Not Started
155	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Review the existing operating manual and include guidance on key aspects of the management of building permit application such as recording times and monitoring compliance;	Medium	Review and update the Building Services Procedures Manual to include all relevant information.	30-Nov-22		12 December 2022: Administration Officer Building Services Procedures updated.	Completed - MA Comment
156	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Ensure that the policy is approved by the CEO or Executive Leadership Team	Medium	Have the Directive endorsed by the Executive Leadership Team.	28-Feb-23			Not Started
157	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Ensure that the operating procedure is approved by the CEO or Executive Leadership Team	Medium	Have the updated Building Services Procedures Manual endorsed by the Director People and Place.	31-Jan-23			Not Started

158	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Communicate the policy to relevant staff.	Medium	Communicate the Directive to the relevant staff.	31-Mar-23			Not Started
159	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Communicate the policy to relevant staff.	Medium	Communicate the updated Building Services Procedures Manual to the relevant staff.	28-Feb-23			Not Started
160	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium	Ensure the Building Services Procedures Manual includes sufficient detail and checklists for the checking of submitted applications.	30-Nov-22		8 February 2023: The Building Application Process map was developed and is referenced in the Procedure Manual. 12 December 2022: Procedure includes reference to the "Building Checklist" which is a separate form.	Completed
161	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium	Ensure that training on job requirements, including understanding of policies, directives and procedures is included in the relevant employee's on-boarding documentation.	30-Nov-22			Not Started
162	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium	Ensure that confirmation of job requirements, including understanding of policies, directives and procedures is included in the relevant employee's annual performance review process and any gaps identified are listed as development goals.	30-Nov-22			Not Started
163	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Establish and implement processes for identifying, recording and managing potential conflicts of interest that arise when assessing building and demolition permit applications	High	Create a conflict-of-interest declaration requirement for all Shire staff involved in application process.	30-Nov-22			Not Started
164	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Establish and implement processes for identifying, recording and managing potential conflicts of interest that arise when assessing building and demolition permit applications	High	Update the Building Services Procedures Manual to include a conflict-of-interest declaration process.	30-Nov-22			Not Started
165	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Ensure its approved by the relevant delegated authority	High	Have the updated Building Services Procedures Manual endorsed by the Director People and Place.	31-Jan-23			Not Started
166	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Communicate the procedures to the relevant staff and ensure they are adequately trained.	High	Communicate updated procedures to relevant staff.	31-Jan-23			Not Started
167	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Establish a risk-based process for independent quality reviewing applications by senior staff; and	Medium	Create a signoff sheet to acknowledge applications have been reviewed by senior staff.	30-Nov-22			Not Started
168	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Establish a risk-based process for independent quality reviewing applications by senior staff; and	Medium	Update the Building Services Procedures Manual to include independent quality reviewing of applications by senior staff.	30-Nov-22			Not Started
169	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Implement and ensure that records of the review are maintained on a timely basis.	Medium	Communicate updated procedures to relevant staff.	31-Jan-23			Not Started
170	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Ensure applications are processed within the required timeframes	High	Ensure further information requests are recorded against the building applications.	30-Nov-22			Not Started
171	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Ensure timeframes are recorded including start, pause and stop of the clock as required by the Act	High	Update the Building Services Procedures Manual to include record keeping requirements for the start, pause and stop the clock activities in accordance with legislation.	30-Nov-22		12 December 2022: Start the clock is updated in building checklist but no evidence of record keeping requirements	Not Started
172	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Identify the building and demolition applications which did not meet the required timeframes and consider where the Shire is required to refund the application fee, as required by legislation. Legal advice may have to be sought as to how far to go back if this has not been identified previously.	High	Update the Building Services Procedures Manual to include reporting of applications which do not meet the required timeframes to the Director People and Place to determine whether a refund is required.	30-Nov-22		12 December 2022: No evidence of change in Procedure	Not Started
173	09-Jun-22	Building Permit Application Process	Monitoring and Compliance and Enforcement	Develop risk-based business rules for staff articulating how monitoring activities will be prioritised given the limited resources and ensure staff are aware of the articulated arrangements	Medium	Incorporate compliance monitoring expectations in the Building Services Directive.	31-Jan-23			Not Started

174	09-Jun-22	Building Permit Application Process	Monitoring and Compliance and Enforcement	Develop a process to demonstrate compliance with relevant legislation governing the building and demolition permits including identification of relevant legislation, legislative owner, documentation to evidence of legislative compliance, frequency of how often the legislative compliance assessment should be undertaken	Medium	Update the Building Services Procedures Manual following implementation of the Directive.	31-Mar-23			Not Started
175	09-Jun-22	Building Permit Application Process	Performance Reporting	Develop KPI's for monitoring compliance and performance of the building and demolition permit application function	Medium	Develop KPI's for monitoring compliance and performance of the building and demolition permit application function.	31-Jan-23		12 December 2022: We have received the monthly reports from the Shire but they do not contain KPI's for demolition services.	In Progress
176	09-Jun-22	Building Permit Application Process	Performance Reporting	Ensure KPI's are approved by the Executive or relevant delegated authority;	Medium	Incorporate KPI's in the Building Services Directive to be approved by the Executive Leadership Team.	31-Jan-23			Not Started
177	09-Jun-22	Building Permit Application Process	Performance Reporting	Have a standard agenda item on a regular basis to discuss building and demolition permit application matters; and	Medium	A monthly report will be provided to the Executive Leadership Team and elected members.	30-Nov-22		12 December 2022: We have received the Monthly reports from the Shire.	Completed - MA Comment
178	09-Jun-22	Building Permit Application Process	Performance Reporting	Regularly report to the Executive and Audit and Risk Committee level.	Medium	A monthly report will be provided to the Executive Leadership Team and elected members.	30-Nov-22		12 December 2022: We have received the Monthly reports from the Shire.	Completed - MA Comment
179	09-Jun-22	Building Permit Application Process	Staff Delegation	The Shire should review the delegation register and align the title of the relevant delegated authority to match existing positions within the Shire with the relevant responsibility.	Low	Review the delegation register to ensure correct position titles are listed.	31-Dec-22	25 January 2023: An internal review of the delegations/sub-delegations from the CEO to staff has been completed and approved on 10 January 2023 (updated Delegation Register attached). Positions have been updated in line with the recent restructure	31 January 2023: Validated by Moore Australia and proposed for closure.	Completed
180	02-Dec-22	Contract Management	Contract Management Framework	Develop and implement an overarching Contract Management Framework, including policies, procedures and guidelines in line with the Shire's strategic objectives and better practice principles such as the WA Australia Procurement Rules 2021/02, the WA Contract Management Framework Principles and the OAG tabled Report dated 2020 – Local Government Contract Extensions and Variations Ministerial Notice Not Required	High	Develop and implement a Contract Management Directive and supporting procedures Procedure and have endorsed by the relevant delegated authority	30-Jun-23	Progress update as at 12 January 2023 In progress, a Contractor Performance Review template has been created and Variation documents have been reviewed and edited as needed. Contract Management Directive and Procedures ongoing	31 January 2023: Ongoing. Changed status to In Progress.	In Progress
181	02-Dec-22	Contract Management	Contract Management Framework	Review and update 3.3 FIN12 Purchasing Policy and FIN22 Procurement Directive in line with the annual review frequency requirement	High	Review and update FIN12 Purchasing Policy with a biennial review frequency	22-Dec-22	Progress Update as at 2023 FIN22 has been approved by CEO (Directive) FIN12 is now known as Purchasing and Procurement Policy this was adopted by Council at December 2022 OMC please see attached.	31 January 2023: Validated by Moore Australia and proposed for closure.	Completed
182	02-Dec-22	Contract Management	Contract Management Framework	Review and update 3.3 FIN12 Purchasing Policy and FIN22 Procurement Directive in line with the annual review frequency requirement	High	Review and update FIN22 Procurement Directive as and when required, and at least once every 2 years	13-Oct-22		12 December 2022: FIN 22 was reviewed and endorsed by the ELT on 13 October 2022. The following review date is also in 2023, which is relevant to the annual review frequency	Completed
183	02-Dec-22	Contract Management	Contract Register	Update the Contract Register to include information recommended for effective contract management and to reflect better practice principles and Department of Finance WA Procurement Rules Procurement Direction 2021/02	Medium	Update Contract Register to include information recommended for effective contract management and to reflect better practice principles and Department of Finance WA Procurement Rules Procurement Direction 2021/02	30-Jun-23	Progress Update as at 2023 Please see attached most recent Contracts Register held by Procurement. Version on AIMS is to be updated, however unable to keep terminated contracts on AIMS.	31 January 2023: Contract register reviewed. Does not contain: (e) estimated dollar value (f) number and value of approved variations (g) for standing offers, total expenditure (h)final contract dollar value at completion Changed status to In Progress.	In Progress
184	02-Dec-22	Contract Management	Contract Register	Update the Contract Register to include information recommended for effective contract management and to reflect better practice principles and Department of Finance WA Procurement Rules Procurement Direction 2021/03	Medium	Investigate Contract Management Software to resolve issues with tracking budget and variations, including performance reviews and retention monies	30-Jun-23	Progress Update 12 January 2023 Please see attached most recent Contracts Register held by Procurement. Version on AIMS is to be updated, however unable to keep terminated contracts on AIMS	31 January 2023: Contract register reviewed. Does not contain: (e) estimated dollar value (f) number and value of approved variations (g) for standing offers, total expenditure (h)final contract dollar value at completion Changed status to In Progress.	In Progress
185	02-Dec-22	Contract Management	Contract Register	Develop comprehensive policies and procedures to manage and review the Contract Register	Medium	Develop a procedure for the management and review of the Contract Register	30-Jun-23	Progress Update as at 2023 In progress		Not Started

186	02-Dec-22	Contract Management	Contract and Supplier Performance Management	Develop and implement comprehensive performance management policies and procedures for the purposes for contract and supplier management in line with the WA Contract Management Framework Principles published by the Department of Finance. This includes processes such as, but not limited to: <ul style="list-style-type: none"> Regular and structured performance reviews; Formal documentation requirements for performance review meetings and communication with suppliers; Monitoring and resolving non-compliance or poor contract performance with contract conditions; and Mechanisms to ensure consistent processes to ensure contract conditions and deliverables are assessed and recorded in a final review. 	High	Incorporate contract performance management in the Contract Management Directive	30-Jun-23	Progress Update as at 2023 In progress, emails are sent out to project officers when contracts are completed with the requirements of the contract management. See attached template. Shire is making enquiries into a online Contact Management system.	31 January 2023: Changed status to In Progress.	In Progress
187	02-Dec-22	Contract Management	Contract and Supplier Performance Management	Develop and implement comprehensive performance management policies and procedures for the purposes for contract and supplier management in line with the WA Contract Management Framework Principles published by the Department of Finance. This includes processes such as, but not limited to: <ul style="list-style-type: none"> Regular and structured performance reviews; Formal documentation requirements for performance review meetings and communication with suppliers; Monitoring and resolving non-compliance or poor contract performance with contract conditions; and Mechanisms to ensure consistent processes to ensure contract conditions and deliverables are assessed and recorded in a final review. 	High	Develop and implement a contract performance management procedure and supporting templates which includes documenting and recording of performance reviews undertaken	30-Jun-23	Progress Update as at 2023 In progress, emails are sent out to project officers when contracts are completed with the requirements of the contract management. See attached template. Shire is making enquiries into a online Contact Management system.	31 January 2023: Changed status to In Progress.	In Progress
188	02-Dec-22	Contract Management	Contract Renewals and Extensions	Develop and implement comprehensive policy and procedures for a standardised and formal approach to contract extensions	Medium	Incorporate contract renewals and extensions in the Contract Management Directive	30-Jun-23	Progress Update as at 2023 On going	31 January 2023: Changed status to In Progress.	In Progress
189	02-Dec-22	Contract Management	Contract Renewals and Extensions	Ensure contractor performance are documented, assessed and reviewed before approving a contract extension	Medium	Incorporate contract renewals process in the contract performance management procedure	30-Jun-23	Progress Update as at 2023 Ongoing, Procurement email project officers, ccing in the relevant Director to receive approval or rejection of an extension to contract (only if allowed under the contract) Reminders in Procurements calendar are at 6, 3 and 1 month intervals.	31 January 2023: Changed status to In Progress.	In Progress
190	02-Dec-22	Contract Management	Contract Variations	Develop and implement a set of comprehensive procedures to perform a contract variation which includes the following: <ul style="list-style-type: none"> Step-by-step process of completing a contract variation; Minimum requirements to ensure the PP 067 – Contract Variation Request form is completed appropriately; and Considerations such as costs, risks, time, nature of variation, cumulative effects and specific requirements set out by council approved policies. 	High	Develop and implement a procedure for contract variations	30-Jun-23		12 December 2022: PP 067 – Contract Variation Request form provided which outlines the step by step process detailed on page 2.	Completed - MA Comment
191	02-Dec-22	Contract Management	Contract Variations	Develop and implement a set of comprehensive procedures to perform a contract variation which includes the following: <ul style="list-style-type: none"> Step-by-step process of completing a contract variation; Minimum requirements to ensure the PP 067 – Contract Variation Request form is completed appropriately; and Considerations such as costs, risks, time, nature of variation, cumulative effects and specific requirements set out by council approved policies. 	High	Review and update checklist on PP 067 – Contract Variation Request form	30-Jun-23	Progress Update as at 12 January 2023 See updated 067 – OCE0067 this form is on the Shires AIMS (Ashburton Information Management System)	31 January 2023: No evidence of formalised procedure outlining how to perform the contract variation. Changed status to In Progress.	In Progress
192	02-Dec-22	Contract Management	Contract Variations	Execute a review process for contract variations to determine whether the cumulative effect of variations requires a separate procurement process	High	Investigate Contract Management Software to resolve issues with tracking budget and variations, including performance reviews and retention monies	30-Jun-23	Progress Update as at 12 January 2023 Ongoing	31 January 2023: No evidence of review.	Not Started
193	02-Dec-22	Contract Management	Training and Contract Manager Continuity	The Shire should: <ul style="list-style-type: none"> Establish an ongoing training program for all staff on basic and standardised approach to contract management including refresher training; Establish an ongoing training program specifically for contract managers to ensure expectations and standards are maintained especially during a handover of responsibility; Ensure that the program is approved by the CEO or the delegated authority; Maintain an up-to-date log of when staff last completed their training; Set minimum timeframes for when staff should attend the refresher training; and Ensure staff attend the training and refresher courses 	Medium	<ul style="list-style-type: none"> Establish an ongoing training program for all staff on basic and standardised approach to contract management including refresher training; Establish an ongoing training program specifically for contract managers to ensure expectations and standards are maintained especially during a handover of responsibility; Ensure that the program is approved by the CEO or the delegated authority; Maintain an up-to-date log of when staff last completed their training; and Set minimum timeframes for when staff must attend the refresher training 	31-Dec-23	Progress Update as at 12 January 2023 Ongoing, this will have to be discussed with Organisational Development (OD) as they facilitate all online training. Procurement will develop a draft training for OD to review	31 January 2023: No evidence provided.	Not Started

194	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: <ul style="list-style-type: none"> Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; Ensure KPI's are approved by the Executive or relevant delegated authority; Have a standard agenda item on a regular basis to discuss contract management matters; and Regularly report to the Executive and Audit and Risk Committee level. 	Medium	Development of KPI's will be done in conjunction with Organisational Development for relevant officers	31-Dec-23	Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	31 January 2023: No evidence provided.	Not Started
195	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: <ul style="list-style-type: none"> Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; Ensure KPI's are approved by the Executive or relevant delegated authority; Have a standard agenda item on a regular basis to discuss contract management matters; and Regularly report to the Executive and Audit and Risk Committee level. 	Medium	Investigate and implement system to allow for reporting	31-Dec-23	Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	31 January 2023: No evidence provided.	Not Started
196	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: <ul style="list-style-type: none"> Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; Ensure KPI's are approved by the Executive or relevant delegated authority; Have a standard agenda item on a regular basis to discuss contract management matters; and Regularly report to the Executive and Audit and Risk Committee level. 	Medium	Reporting to PCG and Audit and Risk Committee.	31-Dec-23	Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	31 January 2023: No evidence provided.	Not Started
197	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Review, update, approve and implement the Fraud and Corruption Control Plan;	Medium	Review and implement the draft Fraud and Corruption Control Plan in line with appropriate accounting standards, to be approved by ELT.	31-Dec-23			Not Started
198	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Draft, approve and implement a Fraud and Corruption policy and procedure;	Medium	Develop Fraud and Corruption Policy and procedures	31-Dec-23		8 February 2023: Fraud and Corruption Policy currently being drafted. It is anticipated that this policy will be submitted to the March Ordinary Council Meeting.	In Progress
199	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Draft, approve and implement a Fraud and Corruption policy and procedure;	Medium	Identified corporate documents, i.e Financial Manual, to have reference to the Fraud and Corruption Plan, policy and procedures as required.	31-Dec-23			Not Started
200	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	All outdated policies and procedures should be reviewed and updated to reflect better practice and compliance requirements;	High	Outdated Public Interest Disclosure information and related policies and procedures to be reviewed	30-Jun-23			Not Started
201	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Chief Executive Officer to nominate PID officer/s.	30-Jun-23			Not Started
202	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Nominated PID officer/s to attend relevant training.	30-Sep-23			Not Started
203	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Public Sector Commission to be advised of the Shire's appointed PID officer/s.	31-Oct-23			Not Started
204	01-Feb-23	Fraud and Corruption FY22	Lack of Fraud and Corruption Resources	Consider appointing a dedicated Fraud Officer who will be responsible for all matters on FC, which may be a current employee, however the Shire should consider the employee's current roles and responsibilities.;	Medium	Review Internal Auditor position description to include fraud and corruption responsibility.	30-Jun-23			Not Started
205	01-Feb-23	Fraud and Corruption FY22	Lack of Fraud and Corruption Resources	Consider appointing a dedicated Fraud Officer who will be responsible for all matters on FC, which may be a current employee, however the Shire should consider the employee's current roles and responsibilities.;	Medium	Recruitment of an Internal Auditor.	15-Feb-23		8 February 2023: The Shire has appointed a permanent full time Internal Auditor commencing 15 February 2023.	Completed
206	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should devote appropriate time for discussions on Fraud and Corruption risks during meetings;	Medium	Include review, monitoring and reporting of fraud and corruption risks in the Fraud and Corruption Control Plan.	31-Dec-23			Not Started

207	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should devote appropriate time for discussions on Fraud and Corruption risks during meetings;	Medium	Fraud and Corruption risks to be included in the standard agenda for ARMC.	31-Dec-23			Not Started
208	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should improve oversight over the Shire's Executive Management team in effectively approving and implementing the FC Control Plan;	Medium	Fraud and Corruption Control Plan to be approved by ARMC and Council.	31-Dec-23			Not Started
209	01-Feb-23	Fraud and Corruption FY22	Lack of a Fraud and Corruption Risk Assessment and Alignment with Standards	The Shire should perform a comprehensive fraud and corruption risk assessment and ensure proper alignment with the Australian Standards for Fraud and Corruption, AS 8001:2021;	High	Undertake a risk assessment in relation to fraud and corruption.	31-Dec-23			Not Started
210	01-Feb-23	Fraud and Corruption FY22	Lack of a Fraud and Corruption Risk Assessment and Alignment with Standards	The Shire should perform a comprehensive fraud and corruption risk assessment and ensure proper alignment with the Australian Standards for Fraud and Corruption, AS 8001:2021;	High	Develop a Strategic Risk Register.	30-Jun-24			Not Started
211	01-Feb-23	Fraud and Corruption FY22	Limited Awareness and Training for Ethics and Fraud and Corruption Control	Training and Induction programs should include Fraud and Corruption;	High	Fraud and corruption information to be incorporated into employee's induction.	30-Jun-23		8 February 2023: The CEO provides an induction to all new staff every 6 months.	Completed
212	01-Feb-23	Fraud and Corruption FY22	Limited Awareness and Training for Ethics and Fraud and Corruption Control	Training and Induction programs should include Fraud and Corruption;	High	Develop and implement a Fraud and Corruption training program.	31-Dec-23			Not Started
213	01-Feb-23	Fraud and Corruption FY22	Vendor Master File with Incomplete Records	The Vendor Master files should be reviewed and updated on a timely basis to ensure all relevant information is included;	Medium	Vendor Master File requirements and practices to be reviewed and incorporated into the Shire's Financial Manual.	30-Jun-23			Not Started
214	01-Feb-23	Fraud and Corruption FY22	Vendor Master File with Incomplete Records	Any missing information, including the ones identified in this audit should be reviewed with all relevant details included as identified;	Medium	Vendor Master Files to be audited and relevant details updated.	30-Jun-23			Not Started
215	01-Feb-23	Fraud and Corruption FY22	Duplicate Cheque / ERT References	Cheque processing should be closely monitored and reviewed by management to ensure that any duplicate reference numbers, including the ones identified in the audit must be investigated and appropriately adjusted;	High	Reference naming convention to be developed for reoccurring "Invoices" and documented in the finance manual.	30-Jun-23			Not Started
216	01-Feb-23	Fraud and Corruption FY22	Employees Listed as Vendors in the Vendor Master File	Investigate the issues identified and assess the risk of fraud or error, and institute corrective action if necessary;	Medium	Establish if SynergySoft is able to provide reports for the purpose of exception reporting to identify duplications. Review against approved secondary employment declarations.	31-Dec-23			Not Started
217	01-Feb-23	Fraud and Corruption FY22	Vendors Still Being Used after Being Suspension	Vendors being used after their suspension dates should be flagged and inspected to identify why they are still being used with appropriate actions taken to address;	High	Suspended Creditors procedure to be reviewed and if possible, increase measures placed on suspended creditors, including Auto Display Memo's. Finance Manual to be updated as required and incorporate monitoring and reporting measures.	31-Dec-23			Not Started
218	01-Feb-23	Fraud and Corruption FY22	Exit Interview Process Opportunities	Consider designing the Exit Interview questionnaires to include questions that help identify and detect potential Fraud and Corruption risks the terminated staff may be aware of;	Low	Exit interviews objectives to be referenced in the Fraud and Corruption Control Plan.	31-Dec-23			Not Started
219	01-Feb-23	Fraud and Corruption FY22	Exit Interview Process Opportunities	Consider designing the Exit Interview questionnaires to include questions that help identify and detect potential Fraud and Corruption risks the terminated staff may be aware of;	Low	Exit interviews to incorporate Fraud and Corruption risk questions.	31-Dec-23			Not Started
220	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	All transactions identified in this report including those with the higher rate of usage in Appendix 5 should be monitored and reviewed on a timely basis to ensure they are free from fraud or error;	High	Include review, monitoring and reporting of fraud and corruption risks, including the Benford's Law test, in the Fraud and Corruption Control Plan and incorporate into the Shire's Finance Manual	31-Dec-23			Not Started
221	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	Any transaction without descriptions, including the ones identified through this audit, should be reconfirmed against supporting documents and necessary descriptions made accordingly;	High	An audit of the identified transactions to be conducted to confirm no fraudulent and corrupt practices have occurred. The outcome of the audit to be presented to Council and include the re-presenting of the accounts for payment information in full, including descriptions, for Council endorsement.	30-Jun-23			Not Started

222	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	Consider improving the requisition process to include details of officer raising and approving transactions.	High	Review systems controls, including Financial Software upgrades, that provide for the electronic record keeping of raising and approving invoices	31-Dec-23			Not Started
223	01-Feb-23	Fraud and Corruption FY22	Absence of an Allegations and Incidents Register for FC	Consider developing a Fraud and Corruption register to capture fraud and corruption incidents or allegations reported either through a Public Interest Disclosure or through other avenues.	Medium	Develop register which records all incidents or allegations reported through Public Interest Disclosure and other avenues.	30-Jul-22		1 February 2023: Client provided incident register. Does not discern source of report (i.e., PID).	Completed - MA Comment
224	01-Feb-23	Payroll & HR FY22	Absence of Human Resources Payroll Management Framework, Policies and Procedures.	Develop, approve and implement a comprehensive Workforce Strategy, Workforce Plan, Human Resources and Payroll Management framework, including associated policies and procedures;	High	Develop, approve and implement a comprehensive Workforce Plan, Recruitment and Retention Strategy, Human Resources and Payroll Management Framework, including associated policies and procedures.	31-Dec-23			Not Started
225	01-Feb-23	Payroll & HR FY22	Absence of Human Resources Payroll Management Framework, Policies and Procedures.	Ensure that within the Human Resources and Payroll team there is a nominated individual responsible for maintaining compliance with relevant legislation;	High	Human Resources and Payroll Management Framework to include nominated positions responsible for maintaining compliance with relevant legislation.	31-Dec-23			Not Started
226	01-Feb-23	Payroll & HR FY22	Lack of Delegation of Authority Framework for Payroll Functions	Draft, approve and implement a comprehensive Delegation of Authority Framework for payroll functions, including policy and procedures;	High	Develop and implement an authorisation framework and supporting directives and/or procedures for HR and Payroll functions.	31-Dec-23			Not Started
227	01-Feb-23	Payroll & HR FY22	Lack of reporting on Human Resources and Payroll activities	Draft approve and implement a performance measurement and reporting framework for human resources and payroll activities, including self-assessment protocols;	High	Incorporate performance measurement and reporting requirements/processes in the Human Resources and Payroll Management Framework.	31-Dec-23			Not Started
228	01-Feb-23	Payroll & HR FY22	Inconsistencies in payroll process and documentation	Develop, approve and implement a comprehensive Workforce Strategy, Workforce Plan, Human Resources and Payroll Management framework, including associated policies and procedures;	High	Develop, approve and implement a comprehensive Workforce Plan, Recruitment and Retention Strategy, Human Resources and Payroll Management Framework, including associated policies and procedures.	31-Dec-23			Not Started
229	01-Feb-23	Payroll & HR FY22	Lack of Control Procedures for Shire Access and Assets	Draft, approve and implement a comprehensive staff exit controls policy and procedures;	Medium	Develop and implement an offboarding directive and procedure. Implement Pulse Offboarding module with automated exit interview notifications and reporting. Incorporate offboarding processes in the framework.	30-Jun-23			Not Started
230	01-Feb-23	Payroll & HR FY22	Inappropriate System Access Control	Revoke inappropriate access to the payroll system and remove ex-employee user profiles from the system; and	Low	Conduct an audit of SynergySoft access and remove unauthorised access.	31-Mar-23			Not Started
231	01-Feb-23	Payroll & HR FY22	Inappropriate System Access Control	Implement a process to regularly review, monitor and maintain system access control to all Shire information systems.	Low	Incorporate the regular review, monitoring and maintenance of system access for all Shire information system in the Cybersecurity Framework.	31-Mar-23			Not Started

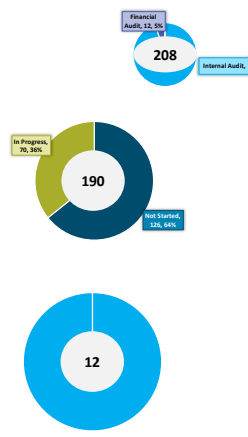


Shire of Ashburton

Financial Audit			Current Review Date: 9-Feb-23						
No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
1	30-Jun-16	Comment on Ratios (Asset sustainability Ratio)	<p>Summary</p> <p>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.</p> <p>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.</p> <p>Notwithstanding this a number of the ratios do appear to be trending downwards over the longer term and this should be considered moving forward.</p> <p>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.</p> <p>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 scarce resources of the Shire</p>		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)	<p>Summary</p> <p>The Shire's Ration position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio.</p> <p>We also note a number of the rations appear to be trending downwards over the longer term and this should be considered moving forward .</p> <p>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 over time with the relevant trends being considered.</p> <p>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.</p>		Not identified	Not identified	Not provided	No evidence provided	Not Started
3	30-Jun-18	Asset Sustainability Ratio	<p>Summary</p> <p>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.</p> <p>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.</p>		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.	High	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	Medium	Investigate current market value based on latest Valuer General information	31-Jan-20	Not provided	No evidence provided	Not Started
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.	Medium	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	7 September 2022 - Evidence received indicating that this done on a regular basis through information provided to Directors and Managers.	Completed
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.	Medium	Review Governance Procedures relating to Related Party Declarations	31-Mar-20	Not provided	Jasmine provided evidence on 24 October 2022	Completed

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.	Medium	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.	09-Feb-21	Not provided	7 September 2022 - Evidence received indicating that this done on a regular basis through information provided to Directors and Managers.	Completed
9	30-Jun-20	Related party declarations	Management should implement procedures to ensure all KMP declarations are completed and returned in a timely manner.	Medium	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.	09-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.	Medium	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	Medium	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.	Low	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

Number of Recommendations By Engagement	231
Internal Audit	12
Financial Audit	0
Performance Audit	243
Breakdown of Internal Audit Recommendations	
Not Started	126
In Progress	70
REF	



Row Labels	Not Started	Completed	Grand Total
2016	1	1	1
2017	1	1	1
2018	1	1	1
2019	2	2	4
2020	4	1	5
Grand Total	9	3	12

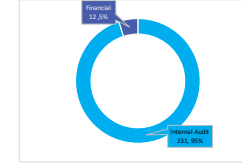
Row Labels	Completed	In Progress	Not Started	Completed - MA Comment	Grand Total
Grants Management	1	10			11
Procurement	8	2		1	23
Records Management	5	4	6		15
Review of FMR			4		4
Risk Management	4	10	5		19
Records Management 22	5	14	12	1	32
Cyber Security		14	9		23
Business Continuity, Disaster Recovery and Incident Management		1	25		26
Building Permit Application Process	2	1	20		26
Contract Management	2	8	6		17
Fraud and Corruption FY22	2	1	23		27
Payroll & HR FY22			6		6
Grand Total	28	70	126	7	231

Internal Audit

231

Financial

12





Agenda Item 6.5 - Attachment 1

2022 Compliance Audit Return



hire of Ashburton - Compliance Audit Return 2022

Commercial Enterprises by Local Governments

no	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022?	N/A	No major trading undertakings entered into during 2022.	Chantelle McGurk, Director Community Development & Rachael Wright, Executive Manager Land, Property and Regulatory Services
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2022?	Yes		Chantelle McGurk, Director Community Development & Rachael Wright, Executive Manager Land, Property and Regulatory Services
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022?	Yes		Chantelle McGurk, Director Community Development & Rachael Wright, Executive Manager Land, Property and Regulatory Services
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022?	Yes		Chantelle McGurk, Director Community Development & Rachael Wright, Executive Manager Land, Property and Regulatory Services
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	Yes		Chantelle McGurk, Director Community Development & Rachael Wright, Executive Manager Land, Property and Regulatory Services

Delegation of Power/Duty

no	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No delegated committees.	Jasmine Bray, Manager Governance
2	s5.16	Were all delegations to committees in writing?	N/A		Jasmine Bray, Manager Governance
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ?	N/A		Jasmine Bray, Manager Governance
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Jasmine Bray, Manager Governance
5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year?	N/A		Jasmine Bray, Manager Governance
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ?	Yes		Jasmine Bray, Manager Governance
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Jasmine Bray, Manager Governance
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Jasmine Bray, Manager Governance
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Jasmine Bray, Manager Governance
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		Jasmine Bray, Manager Governance
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Jasmine Bray, Manager Governance
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year?	Yes		Jasmine Bray, Manager Governance
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes		All Directors and Managers

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Jasmine Bray, Manager Governance
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	Yes		Jasmine Bray, Manager Governance
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made?	Yes		Jasmine Bray, Manager Governance
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Jasmine Bray, Manager Governance
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes		Jasmine Bray, Manager Governance
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Jasmine Bray, Manager Governance
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> ?	Yes		Jasmine Bray, Manager Governance
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes		Jasmine Bray, Manager Governance
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> , did the CEO remove from the register all returns relating to that person?	Yes		Jasmine Bray, Manager Governance
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Jasmine Bray, Manager Governance
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes		Jasmine Bray, Manager Governance
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Jasmine Bray, Manager Governance
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	N/A	No action required during this reporting period.	Jasmine Bray, Manager Governance
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Jasmine Bray, Manager Governance
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		All Directors and Managers
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Jasmine Bray, Manager Governance
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered?	N/A		Jasmine Bray, Manager Governance
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Jasmine Bray, Manager Governance

19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	No		Jasmine Bray, Manager Governance
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes		Jasmine Bray, Manager Governance
21	s5.51A(1)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government in accordance with section 5.51A(1) of the Local Government Act 1995?	Yes		Adele Heraty, Manager Organisational Development
22	s5.51A(3)	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes		Adele Heraty, Manager Organisational Development

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes		Rachael Wright, Executive Manager Land, Property and Regulatory Services
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	Yes		Rachael Wright, Executive Manager Land, Property and Regulatory Services

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes		Jasmine Bray, Manager Governance
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	No action required during this reporting period.	Jasmine Bray, Manager Governance
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes		Jasmine Bray, Manager Governance

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Yes		Jasmine Bray, Manager Governance
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the <i>Local Government Act 1995</i> , did it do so by absolute majority?	N/A		Jasmine Bray, Manager Governance
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?	N/A	Auditor's report has not been received.	Taryn Dayman, Acting Director Corporate Services
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	Auditor's report has not been received.	Taryn Dayman, Acting Director Corporate Services
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	Auditor's report has not been received.	Taryn Dayman, Acting Director Corporate Services
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	N/A	Auditor's report has not been received.	Taryn Dayman, Acting Director Corporate Services
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit?	N/A	Auditor's report has not been received.	Taryn Dayman, Acting Director Corporate Services

Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Strategic Community Plan 2022-2032 adopted 8 March 2022.	Jasmine Bray, Manager Governance
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Corporate Business Plan 2019-2023 adopted 18 June 2019. The Corporate Business Plan has not been reviewed. A new Corporate Business Plan will be developed in 2023 to align to the new Strategic Community Plan 2022-2032.	Jasmine Bray, Manager Governance
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes		Jasmine Bray, Manager Governance

Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes		Adele Heraty, Manager Organisational Development
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Adele Heraty, Manager Organisational Development
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the <i>Local Government Act 1995</i> ?	N/A		Adele Heraty, Manager Organisational Development
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		Adele Heraty, Manager Organisational Development
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Adele Heraty, Manager Organisational Development

Official Conduct

No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated an employee to be its complaints officer?	N/A	The Chief Executive Officer is the Shire's complaints officer.	Jasmine Bray, Manager Governance
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the <i>Local Government Act 1995</i> ?	Yes		Jasmine Bray, Manager Governance
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the <i>Local Government Act 1995</i> ?	Yes		Jasmine Bray, Manager Governance
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Jasmine Bray, Manager Governance

Optional Questions

No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report.	Yes	Report was accepted 18 June 2019.	Taryn Dayman, Acting Director Corporate Services
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report.	Yes	Report was accepted by Council 8 September 2020.	Jasmine Bray, Manager Governance
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i> , were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	No	Two gifts were disclosed outside of the prescribed timeframe.	Jasmine Bray, Manager Governance

4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to- date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes		Jasmine Bray, Manager Governance
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i> ?	No	Currently only copies of the Government Gazette's are available on the Shire's website. Consolidated versions are being prepared and it is anticipated these will be available by 31 March 2023.	Jasmine Bray, Manager Governance
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Last review adopted by Council 12 July 2022.	Jasmine Bray, Manager Governance
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	Yes		Jasmine Bray, Manager Governance
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?	Yes		Taryn Dayman, Acting Director Corporate Services
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Taryn Dayman, Acting Director Corporate Services

enders for Providing Goods and Services

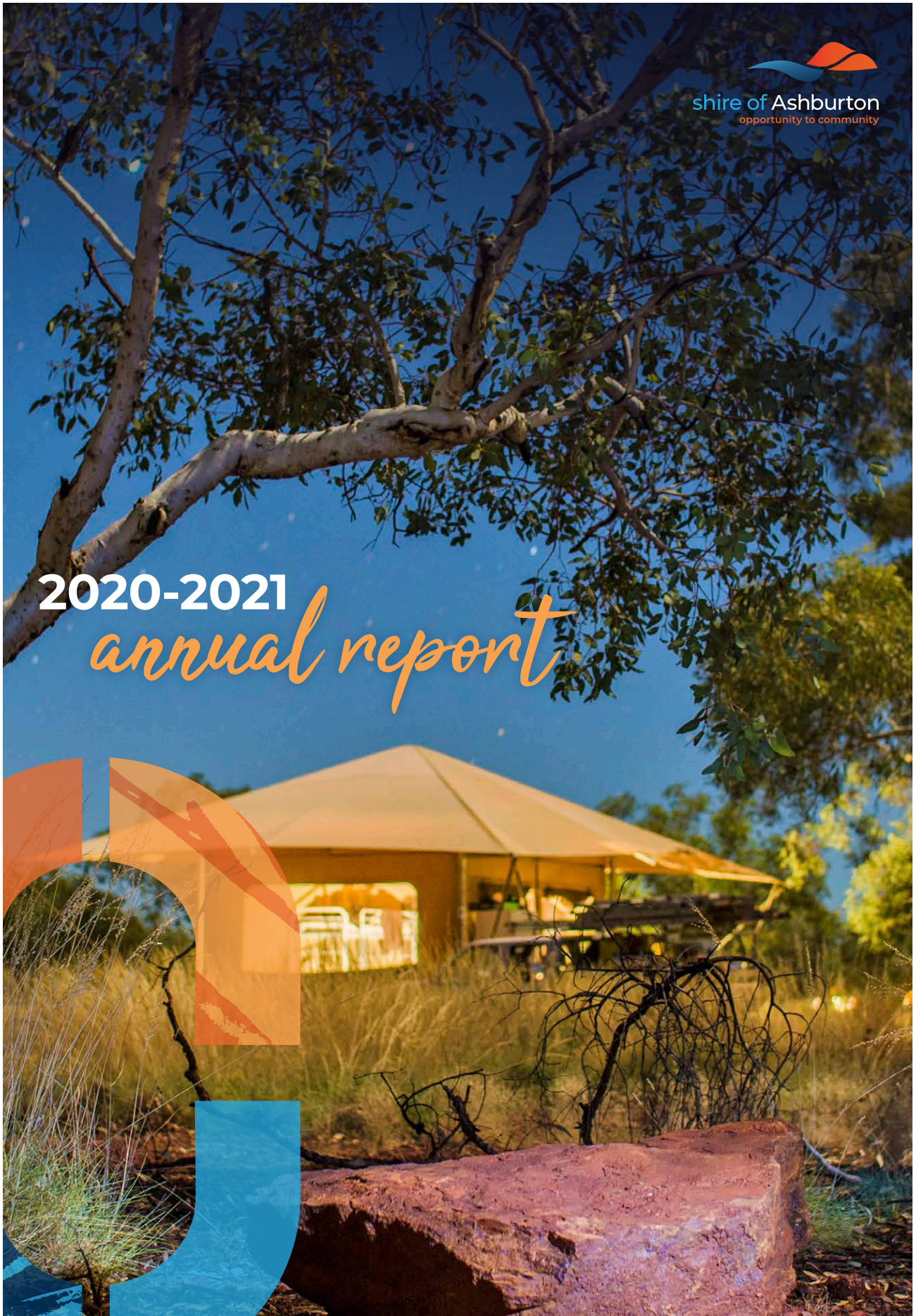
No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		All Directors and Managers
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes		Renaë Lynch, Senior Procurement Officer
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes		Renaë Lynch, Senior Procurement Officer
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	Yes		Renaë Lynch, Senior Procurement Officer
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes		Renaë Lynch, Senior Procurement Officer
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes		Renaë Lynch, Senior Procurement Officer
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Renaë Lynch, Senior Procurement Officer
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	No		Renaë Lynch, Senior Procurement Officer
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Renaë Lynch, Senior Procurement Officer
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Renaë Lynch, Senior Procurement Officer
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	N/A	No expressions of interest in 2022.	Renaë Lynch, Senior Procurement Officer

12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Renae Lynch, Senior Procurement Officer
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Renae Lynch, Senior Procurement Officer
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A		Renae Lynch, Senior Procurement Officer
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE?	N/A		Renae Lynch, Senior Procurement Officer
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Renae Lynch, Senior Procurement Officer
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Renae Lynch, Senior Procurement Officer
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A		Renae Lynch, Senior Procurement Officer
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Renae Lynch, Senior Procurement Officer
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Renae Lynch, Senior Procurement Officer
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Renae Lynch, Senior Procurement Officer
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes		Renae Lynch, Senior Procurement Officer



Agenda Item 6.6 - Attachment 1

2020-2021 Annual Report



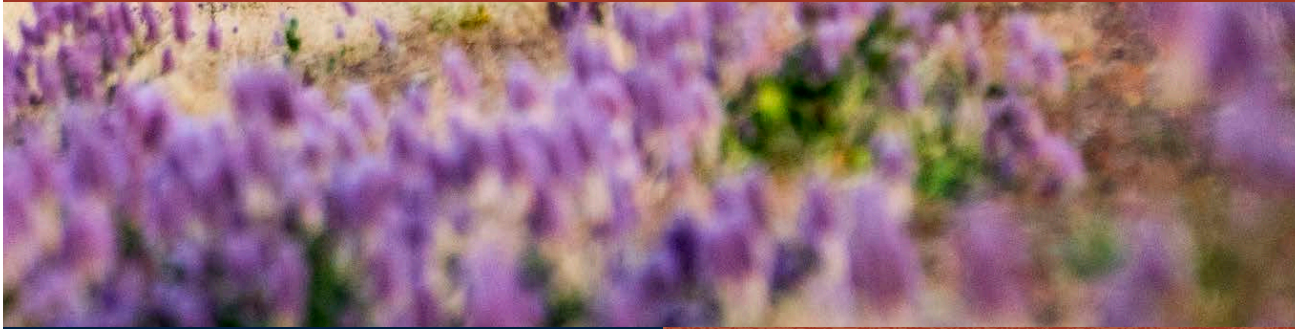
2020/2021 Annual Report

The Shire of Ashburton is pleased to present our 2020-21 Annual Report, which details our activities and achievements throughout the 2020-21 financial year.

This report sets to provide an overview of our progress over this period and aligns to our Strategic Community Plan 2017- 2027.

Copies of the Strategic Community Plan 2017-2027 can be downloaded from our website.

Our financial statements have been certified by an independent auditor.



acknowledgement of country and Indigenous History

The Shire of Ashburton acknowledges the traditional custodians of the land in which our Shire resides, the Thalanyji people (Onslow), Eastern Guruma people (Tom Price), the Kurrama people (Pannawonica) and the Yinhawangka people (Paraburdoo).

The land comprising the Shire of Ashburton has been home to Aboriginal Australians for

millennia. Sustained by bonds of kinship, language, culture and connection to the land, the local Aboriginal people have demonstrated autonomy and innovation in adapting to a harsh environment.

We recognise the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.



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The Shire of Ashburton continued to achieve several outcomes, progress numerous projects and deliver key community priorities during the 2020/21 reporting period.

In November 2020, Council was able to acquire Australia's largest private collection of shells and other natural sea creatures in Onslow. Previous owners Neil and Judy Baker are long-term residents in Onslow and have been collecting shells for over 60 years. While the collection is invaluable, some of the shells are estimated to be worth \$20,000, and many are one of a kind and irreplaceable.

In March, we celebrated the completion of the \$13M Pilbara Regional Waste Management Facility. Our 100% off-grid, solar powered, Class 4 facility has been designed and constructed to best practice standards and will accept waste from mining, industrial and oil and gas operations across northwest Australia. I am thrilled to see this project come to fruition and that the only Class IV waste facility outside of Perth will operate not just on a state and national level, but also internationally.

In April, the Shire officially opened the Tom Price Tennis Courts following completion of the \$1.5M upgrade to the facility. In addition to groundwork upgrades on all three courts, Tom Price Tennis Club and spectators now enjoy a new clubhouse and shaded observation area as well as newly installed onsite toilet amenities and storage areas.

The Onslow foreshore also become home to notorious photographers, Gillie and Marc's Paparazzi Dogs. Onslow's Paparazzi Dogs are strategically positioned, looking out across the water, to soak up the spectacular skies and colours of sunrise and as they have done when travelling the world, will shine a spotlight on Onslow as a destination for tourism and experiencing something different. They are also a symbol of the transformation of Onslow and celebration of the natural beauty surrounding our coastal community.

In 2020/2021, Council received a substantial grant through the WA Local Roads and Community Infrastructure Program made available by the Federal Government as part of COVID-19 recovery and assistance. This grant allowed the commencement of a footpath renewal project in Tom Price and Paraburdoo.

COVID-19 updates continued to be part and parcel of our regular news throughout the year, and the Shire undertook all necessary measures to protect our community and to ensure we did what we could to lessen the impact of COVID-19 in our region. We maintained essential services to our communities and were able to redeploy all our staff into alternate roles while we navigated through lockdown and restricted movements.

In addition to this, Council made financial support and funding available to organisations within the Shire who were severely financially impacted by COVID-19 and subsequent restrictions that followed.

Council would like to extend thanks to Chief Executive Officer Kenn Donohoe who has continued to lead the organisation to achieve the long-term strategic goals and objectives of Council and the community.

We also acknowledge the continual support from our partners Rio Tinto and Chevron-operated Wheatstone project.

It is my privilege to lead the Council as Shire President once again and I would like to acknowledge the great work of both Councillors and staff who work tirelessly to deliver results to our community.

Cr Kerry White
Shire of Ashburton President

CEO's report



It brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive and valuable outcomes for the community.

Last year upon my appointment as CEO, one of the key areas that I focused on initially was getting a series of capital works projects off the ground and progressing so that Council's vision for the Shire can be achieved.

I am happy to report that in 2020/2021 the Shire was able to progress a number of key works projects across all four towns.

In 2021, we commenced works on the Tom Price Emergency Services Precinct and Childcare Centre. After 30 years of providing childcare services in Tom Price, the Nintirri Centre was appointed by the Shire to operate the Childcare Centre upon its completion.

In July 2021 we officially opened the new Onslow Cym and childcare facilities. To deliver this project, the Shire received \$2.5M in funding through our Working Together for Onslow partnership with the Chevron-operated Wheatstone project.

We were also able to complete the Ocean View Caravan redevelopments, a project that first began in 2017. The \$8.1M project has transformed the caravan park, taking advantage of sweeping ocean views and direct access to Front Beach that is renowned for incredible sunrises.

The Ashburton community demonstrate great pride and passion for their region and share the Council's vision for the Shire as a vibrant and robust place to live.

This was highlighted during the year through our Skate Park consultation sessions that took place in Tom Price, and the introduction of regular community information sessions.

The aim of these sessions is to provide residents with the opportunity to hear from key stakeholders and share their thoughts on any projects and initiatives that are taking place in their town.

We also undertook a complete overhaul of our Shire website, providing an easily accessible point of reference for members of the community to stay up to date with news, events, publications, and projects.

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area such as with PHI International selecting Onslow Airport as the base for their offshore helicopter passenger transport services on the North West Cape.

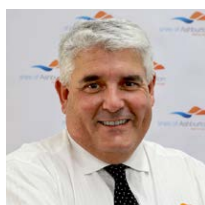
I look forward to working with Shire staff to ensure we have the capability and a collaboration of knowledge and experience to fulfil Council's objectives, working with our industry partners to achieve future growth and improvements for our towns, and continuing to provide to State and the national economy as a significant contributor.

Kenn Donohoe

Shire of Ashburton Chief Executive Officer

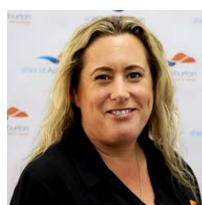


executive team



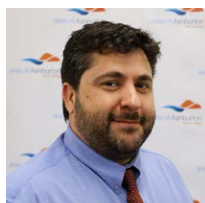
Kenn Donohoe
Chief Executive Officer

- Aviation and Tourism
- Human Resources
- Land and Asset Compliance
- Media & Communications



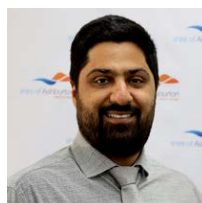
Chantelle McGurk
Director Projects and Procurement

- Strategic Projects
- Facilities and Aquatics
- Procurement



Adam Majid
Director People and Place

- Community Services
- Development Services
- Libraries
- Regulatory Services



Maz Khosravi
Director Infrastructure Services

- Assets and Programming
- Fleet
- Maintenance
- Roads and Civil Projects
- Waste Services



John Bingham
Director Corporate Services
– January 2020



Nathan Cain
Director Corporate Services
– February 2020 onwards

- Finance and Administration
- Governance
- ICT Services



2020/2021 *achievements & highlights*

Ashburton overview

The Shire of Ashburton continues to be a driving force of the Pilbara region and Western Australian economy.

Our Shire delivers 38.1% or \$15.943 billion to the Gross Regional Product of the Pilbara region and 18% to the WA economy. Our economy is not only growing, but also providing a diverse range of opportunities.

Encompassing the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, our residents boast a unique lifestyle, living

next door to Karijini and Millstream Chichester National Parks and also avail of idyllic coastal living as the extends from reef to range.

Council continues to drive, attract and source investment to the region to ensure ongoing expansion of services, accessibility, commercialisation and industry continues to grow along with our community's overall health and well-being.

2020/21 Budget

Shire of Ashburton Council endorsed the 2020/21 annual budget in July 2020, pledging their commitment in progressing a \$63M capital works program.

The 20/21 budget set to achieve 81 capital works projects, including ongoing projects carried over from last financial year and the progression of some much-anticipated projects.

This included the Child Care Centre, Emergency Services Precinct, Footpath Renewal program, actualisation of the Pump Track and tennis club upgrade in Tom Price.

In Onslow, the budget allowed planning works to commence for the Marina Upgrade, progression gym and childcare facilities, Ocean View Caravan Park upgrade and continuation of the construction of the Class IV Pilbara Regional Waste Management Facility.

Funds were also dedicated to completing a Rural Unsealed Roads program and undertaking a Safer Communities Initiative with a CCTV and Security Lighting Program for each of our townsites with other commitments including lighting and fencing of our sports precincts, electronic scoreboards for the CHUB at Paraburdoo and development of the Tom Price tourist information bay.

Rates were held for 2020/21 with flexible payment arrangements made with no special fees and interest charges, along with rent relief on leases to small businesses, community groups and clubs.

12 MAJOR PROJECTS
of economic and
community importance

81 CAPITAL WORKS PROJECTS
at **\$63m** total value

TOM PRICE

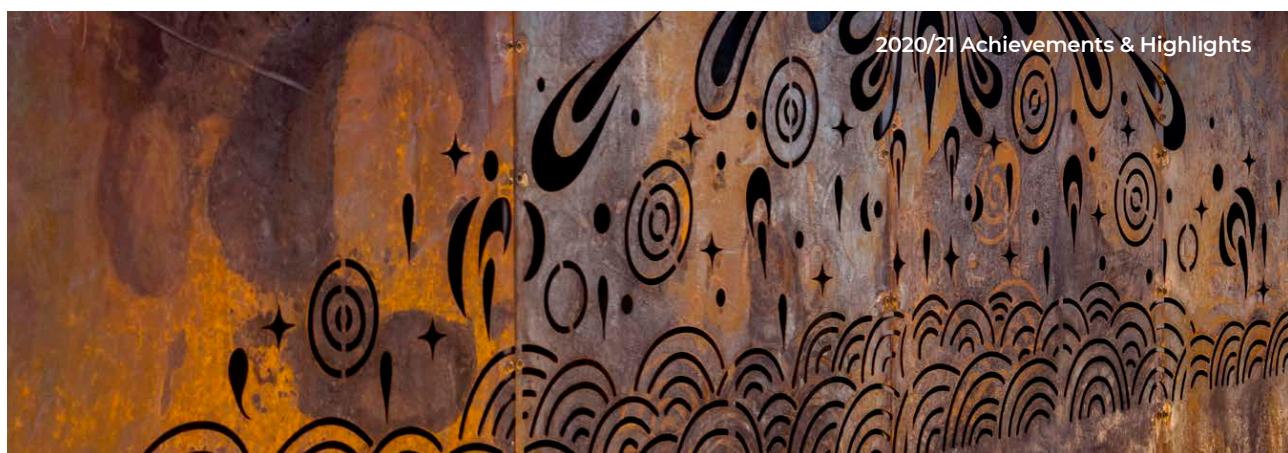
	Child Care Centre \$6.75m
	Emergency Services Precinct \$4.07m
	Footpath Renewal \$1.84m
	Pump Track \$950k
	Tennis Club Upgrade \$1.57m
	Tourist Information Bay \$468k
	Staff Administration Building (Design and Planning) \$3m

ONSLOW

	Gym / Child Care Facilities \$2.5m
	Marina Upgrade (Design and Planning) \$1.5m
	Ocean View Caravan Park upgrade \$3m
	Pilbara Regional Waste Management Facility Class IV \$13m

RURAL UNSEALED ROADS

	\$3.5m
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Highlights

Tom Price Skatepark upgrade

Tom Price youth were actively engaged in a Tom Price Skate Park consultation, hosted by WA-based company Skate Sculpture in October 2020. The group sourced input from the Tom Price community to shape planned upgrades to the popular amenity. Kids workshoped features they wanted in the new design, and there was plenty of lively discussion as designs were sketched on paper. The addition of a skate bowl was a universal aspiration. A concept design was drafted based on the feedback from the consultation.

Community Support Grants

The Shire's Community Support Grants are provided as in-kind or financial assistance to enable community groups to deliver quality programs, community events and services. In 2020/21, community groups across the Shire were awarded in March intakes.

Recipients:

- Ashburton Anglers
- Onslow Sports Club
- Tom Price Motorcycle Club
- Tom Price Diamond Club
- Paraburdoo Drive In
- Paraburdoo Horse & Pony Club
- Tom Price BMX
- Tom Price Women's Softball Association
- Tom Price Netball Association
- Pannawonica Parents & Citizens Association
- Karingal Neighbourhood Centre
- North Tom Price Primary School

Tom Price Childcare Centre

Construction of the new Tom Price Childcare Centre and new Emergency Services Precinct formally commenced with a 'breaking ground' ceremony in April 2020. The Nintirri Centre Inc was also appointed as the successful tenderer to operate the childcare centre upon its completion. Unfortunately, just over a month later the contractors were placed into administration, putting the project on hold.

Karjini Experience

The Shire of Ashburton proudly sponsored Karjini Experience. Held on the traditional lands of the Banjima people, the Karjini Experience was a five-day celebration of culture, food, music and art on country. Taking place in April, Karjini Experience hosted 46 events from exclusive fine dining under the stars, to live music, yoga in the gorge and free community and family-friendly events. The event provided an opportunity for the whole family to get involved in the outback oasis of Karjini National Park.

Pilbara Regional Waste Management Facility

In March, the Shire completed the \$13M Pilbara Regional Waste Management Facility. Our 100% off-grid, solar powered, Class 4 facility has been designed and constructed to best practice standards and will accept waste from mining, industrial and oil and gas operations across northwest Australia.



Tom Price Tennis Courts

In April 2021, the Shire of Ashburton officially reopened the Tom Price Tennis Courts following completion of a \$1.5M upgrade to the facility. As part of the upgrade, all three courts had groundwork issues amended and were resurfaced with synthetic courts in line with Tennis West guidelines. Tom Price Tennis Club and spectators now enjoy a new clubhouse and shaded observation area as well as newly installed onsite toilet amenities and storage areas.

Onslow Foreshore Protection

As part of the Shire's continued coastal management plan, Council allocated \$900,000 this year towards Onslow's foreshore improvement and protection, including a 120m seawall extension near the ANZAC Memorial site. The seawall works also include a new outfall structure at the eastern end of the seawall, a new stormwater outlet structure mid-way along the seawall, and repairs to existing stormwater tidal flaps.

PHI Onslow Airport

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area such as with PHI International selecting Onslow Airport as the base for their offshore helicopter passenger transport services contract on the North West Cape.

Onslow Gym & Childcare Centre

\$2.5M funding was secured toward the extension of the Onslow gym and childcare facilities in Onslow, funded through our Working Together for Onslow partnership with the Chevron-operated Wheatstone project. The extension and upgrade works were completed on schedule in May 2021.

Neil and Judy Baker Shell Collection

The Neil and Judy Baker Shell Collection, named after the Onslow residents of who have diligently gathered the pieces over more than 60 years, contains thousands of seaside relics from Onslow and its stunning surrounding islands. Some pieces are worth



several thousand dollars. The remarkable collection was scheduled to be relocated to the Abrolhos Islands, about 80 kilometres west of Geraldton. Recognising the significance of the display, Onslow Visitor Centre and the Shire of Ashburton stepped in to keep the collection in Onslow. As one of Australia's largest private shell collections, the compilation will be a major drawcard for tourism, encouraging travellers to explore the exceptional natural history of our area.

Footpath renewal program

The Shire of Ashburton are pleased to have delivered a significant Footpath Renewal Program to the Tom Price community. The five-week schedule of works resulted in an additional 15 kilometres of footpath around Tom Price, including ANZAC Memorial Park, East Road - Golf Club Link, Jacaranda to Willow Road, South Road and Area W Loop through Canberra Drive.

Ocean View Caravan Park Stage 2

Stage 2 redevelopment of Onslow's Ocean View Caravan Park was completed on time for

the 2021 tourist season. The redevelopment project enhanced the amenities and facilities including BBQ picnic areas, fish cleaning station, secure boat parking, dump point, new landscaping on site, as well as the enhancing the overall layout and accessibility of the park. The total \$8.1M completed project commenced in 2017 has transformed the caravan park, taking advantage of sweeping ocean views and direct access to Front Beach that is renowned for incredible sunrises.

Minna Oval

\$700,000 upgrade to Minna Oval was completed in 2021 comprising of the installation of overhead LED lighting to at the Softball Diamond enabling increased community use of the facility.

The improved facilities and amenities detailed above have created positive impact on the liveability of our towns and in attracting visitors and tourists to our region.



The Shire of Ashburton is comprised of diverse towns and communities that stretch across pristine coastal and inland Pilbara environments.

Our communities consist of people from a range of backgrounds whom enjoy the economic and employment opportunities on offer, while also relishing the unique lifestyle that this part of the world provides.

The Shire of Ashburton 10 Year Strategic Community Plan 2017 provides focus, direction and represents the hopes and aspirations of the Shire. A minor desktop review of the existing Strategic Community Plan in early 2019, which focused on resetting the Corporate Business Plan along with the integration of other informing strategies. The new plan 'Living Life' 2019 Desktop Review was adopted at the Ordinary Meeting of Council held on 18 June 2019.

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

In accordance with statutory requirements, the Corporate Business Plan was reviewed and endorsed by Council at the 18 June 2019 Ordinary Meeting to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding.

The tables over page detail the actions under each of the five key strategic goals that were progressed in the 2020/21 financial year.



Key

- Completed 2019/20 or earlier
- Completed during 2020/21
- Programmed for future year

GOAL 1

Vibrant and Active Communities

Objective 1.1: Connected, caring and engaged communities

Outcome: People feel connected and actively involved in the community

Strategy		Actions		Projects	2020/21 Progress
1.1.1	Encourage and provide a range of opportunities to community members and stakeholders to inform and participate in decision making	1.1.1.1	Develop communication and engagement strategy	Marketing & Communications Strategy 2020 endorsed by Council and implementation underway	
		1.1.1.2	Engage community and stakeholders in accordance with Communication and Engagement Strategy	Marketing & Communications Strategy 2020 endorsed by Council and implementation underway	
1.1.2	Establish a strategic approach to community development planning that focuses on building social capital, developing community capability and addresses social isolation and dislocation all residents across the Shire	1.1.2.1	Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery	The Shire's current Integrated Planning Framework comprises of up to date strategic documents, including the CBP and Strategic Community Plan (SCP) to assist service delivery requirements.	
1.1.3	Continue to develop programs that welcome and induct new residents and transient workers into their host communities; Engage and celebrate local culture, both Indigenous and non-Indigenous	1.1.3.1	Continue to develop programs welcoming new residents and transient workers into the community	Successful delivery of town events catering for all demographics with some restrictions and limitations on attendance due to continued COVID-19 but the Shire provided alternative support for new community members.	
		1.1.3.2	Engage and celebrate local culture, both Indigenous and non-Indigenous	Each town held a wide range of activities and events that attracted an audience that represented the diverse nature of community members that live in the Shire. School holiday programs appealed to the younger generation. Special events like NAIDOC celebrated Australia's Indigenous heritage across the towns. Multicultural events such as Harmony Day, Waitangi Day and the Chinese Lantern Festival highlighted the various cultures present in the Shire. International Womens' Day celebrations gave recognition to the importance of women and their role in the community.	

GOAL 1 Vibrant and Active Communities (continued)

Objective 1.2: Sustainable Services, Clubs, Associations and Facilities

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

Strategy		Actions		Projects	2020/21 Progress
1.2.1	Develop and implement a cohesive, whole Shire strategy to encourage and support club and community group development through a focus on increased volunteerism and capacity building that utilises the skills and experience of residents and visitors	1.2.1.1	Develop and implement a cohesive strategy to encourage and support club and community group development	Strategy continued to be implemented through RTIO Partnership and Working Together for Onslow with Chevron, as well as participation through the State Governments 'Every Club Program', a number of workshops and learning opportunities (face to face and online) were held across the Shire of Ashburton to the benefit of many clubs and groups.	
1.2.2	Review existing club and community organisations' governance and operating processes to identify possible synergies, collaborations or alternative models that can increase community involvement, reduce workloads and increase sustainability	1.2.2.1	As per action 1.2.1.1	As above action	
1.2.3	Collaborate with industry to encourage FIFO participation in their host communities through a concerted campaign to increase engagement in community activities; leisure and recreation pursuits	1.2.3.1	Collaborate with partners, key stakeholders and other organisations where appropriate	Continued collaboration with Sodexo and Rio Tinto for events to incorporate FIFO inclusion. All event flyers shared with lifestyle coordinator at Sodexo to increase promotion within the camp FIFO community.	
1.2.4	Prepare plans, programs and schedules that provide cost effective access and optimisation of existing community facilities – and provide new or upgraded facilities to accommodate future needs	1.2.4.1	Seek to deliver community facility services and outcomes within resource capacity	Multiple facilities throughout the Shire available for use. These facilities are maintained and upgraded in accordance with plans and budget allocations.	
		1.2.4.2	Provide community facilities as per asset management planning	Tom Price Tennis Courts, Tom Price Skatepark upgrade stage 1 and Onslow Gym extension were all completed in 2020/21.	

Strategic Community Plan

GOAL 1 Vibrant and Active Communities (continued)

Objective 1.3: Quality education, healthcare, childcare, aged care and youth services

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

Strategy	Actions	Projects	2020/21 Progress
1.3.1 Play a leadership role in advocating to, and engaging with, relevant government and private sector stakeholders to foster a whole of Shire approach to the provision of quality education, training, healthcare, childcare, aged care, youth services and facility provision.	1.3.1.1 Continue to advocate on behalf of the community	Council published its 2021 Priority projects with an emphasis on advocating at a State and Federal level for funding and support to achieve sustainability and future industries across whole Shire of Ashburton services, industries and communities.	●
	1.3.1.2 Provision of aged care services and housing	Planned for 2021/22 financial year	●
	1.3.1.3 Develop child care facilities in Tom Price	Construction works begin in April 2021, estimated for completion 2021/22.	●
	1.3.1.4 Construction of the Paraburdoo CHUB	Completed March 2019	●
1.3.2 Ensure the needs of changing communities are understood, planned and budgeted for and contributed to by government, industry and the private sector.	1.3.2.1 As per action 1.1.2.1	The Shire's current Integrated Planning and Reporting Framework comprises of up-to-date Strategic documents to assist service delivery requirements. The Strategic Community Plan and Corporate Business Plan provided this framework	●



GOAL 1 Vibrant and Active Communities (continued)

Objective 1.4: A rich cultural life

Outcome: High levels of community appreciation for, and involvement in, Arts and Cultural activities

Strategy		Actions		Projects	2020/21 Progress
1.4.1	Encourage and support community involvement with and appreciation of, arts and culture	1.4.1.1	Encourage and support community involvement with and appreciation of, arts and culture	In collaboration with the Shire President, the CEO and Directors advocate directly with corporate partners, Federal and State Governments to promote opportunities, supporting community and local organisations involvement with an appreciation of, arts and culture.	
1.4.2	Develop and deliver a whole of Shire Cultural Plan that includes 'place management' approaches	1.4.2.1	Develop and deliver a whole of Shire Cultural Plan	Comprehensive community consultation to understand what each community requires and will be delivered within the cultural plan.	
1.4.3	Continue to work collaboratively with the community to deliver town events	1.4.3.1	Continue to work collaboratively with the community to deliver town events	Multiple events held throughout the 2020/21 year in line with COVID-19 restrictions including School Holiday Programs, ANZAC Dawn services, Australia Day, Onslow Gala Ball, Town Welcome events. Club Development Officers also work with community groups and NFPS to lead out on additional events.	
1.4.4	Increase opportunities for children, youth and Indigenous residents to be part of the wider community	1.4.4.1	As per Action 1.4.2.1	Shire staff attended local Employment Expos with other Ashburton employers to highlight to younger residents the vast array of careers right here at home	
1.4.5	Continue to foster industry and government social investments and participation in community arts and cultural initiatives	1.4.5.1	As per Action 1.4.2.1	The Shire partnered with the Karijini Experience being a sponsor for the 2020 Event. Unfortunately, this event was cancelled due to COVID-19.	

GOAL 2 Economic Prosperity

Objective 2.1: Strong local economies

Outcome: A diverse and strong economy

Strategy		Actions		Projects	2020/21 Progress
2.1.1	Develop local capability and capacity to understand and adapt to economic trends and better meet needs of local businesses	2.1.1.1	As per action 2.2.2.1	Continued membership and participating with OCCI and PICCI and assisted them with their Buy Local campaigns	●
2.1.2	Develop policies and programs to support existing businesses and encourage business attraction to meet the changing needs of local and regional areas	2.1.2.1	As per action 2.2.2.1	The Shire of Ashburton committed to the Small Business Friendly Local Government Charter to assist small businesses by undertaking key business initiatives	●
2.1.3	Proactively engage with government and industry to support business development and community enterprise and to plan for present and future training and employment needs	2.1.3.1	As per action 2.2.2.1	The Shire continued involvement in Small Business Friendly Local Government Program	●
2.1.4	Facilitate timely release of land to support the local economy	2.1.4.1	Facilitate timely release of land to support the local economy	Continue to liaise with corporate partners, Federal and State governments to identify and promote land release where available.	●



GOAL 2 Economic Prosperity (continued)

Objective 2.2: Enduring partnerships with industry and government

Outcome: Industry and government actively engaging with local communities and economies

Strategy		Actions		Projects	2020/21 Progress
2.2.1	Partner with industry and government to target their investment in stimulating more diversified business and economic development to benefit communities and the local economy	2.2.1.1	Advocate for more diversified business and economic development in accordance with Economic Development Strategy	The Shire continued to work with OCCI, PICCI, the PTA, and Australia's North West to develop business opportunities for industry.	●
2.2.2	Develop a Shire Economic Development Strategy that includes engagement with industry and government to support local economic development initiatives	2.2.2.1	Develop and implement Shire Economic Development Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019.	●



GOAL 2 Economic Prosperity (continued)

Objective 2.3: Well-managed tourism

Outcome: Sustainable tourism activity benefiting local economies and the Shire as a whole

Strategy		Actions		Projects	2020/21 Progress
2.3.1	Work with the tourism industry, key stakeholders and agencies to collaboratively develop a regional Tourism Strategy that promotes the unique Pilbara offering of distinctive landscapes, seascapes and communities.	2.3.1.1	Develop Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.2	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure including increased accommodation options; tourism attractions and signage	2.3.2.1	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.3	Explore Aboriginal tourism opportunities	2.3.3.1	Encourage Aboriginal tourism opportunities in accordance with Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.4	Plan for improved tourism accommodation, camping grounds and associated facilities	2.3.4.1	Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Tourism Strategy	Funding sought for Tom Price Visitor Information Bay.	●
2.3.5	Engage with industry to manage the interface with tourism to optimise opportunities and minimise competing interests	2.3.5.1	As per action 1.1.1.1	The Tom Price Visitors Centre (TPVC) continues to implement the TPVC strategic plan	●



GOAL 3 Unique Heritage and Environment

Objective 3.1: Flourishing natural environments

Outcome: The integrity of the Shire’s natural environments is maintained

Strategy	Actions	Projects	2020/21 Progress
<p>3.1.1 Partner with government agencies, industry, traditional owners, non-government organisations, local governments, research institutions, pastoralists and the community to better manage natural assets and deliver improved conservation outcomes that reflect the region’s high biodiversity and landscape values</p>	<p>3.1.1.1 Advocate for the protection of natural assets and sustainable use of resources and utilities</p>	<p>Whole of Shire ongoing advocacy</p>	<p>●</p>
<p>3.1.2 Improve recreational access to natural environments with a focus on signage, access and safety</p>	<p>3.1.2.1 Improve recreational access to natural environments with a focus on signage, access and safety</p>	<p>Signage upgrades including Fire Danger and Cyclone Information Signs were installed. Continued installation and upgrade of rural signage in 2021/22.</p>	<p>●</p>



GOAL 3 Unique Heritage and Environment (continued)

Objective 3.2: Leading regional sustainability

Outcome: The Shire of Ashburton supports and implements best practice sustainability practices

Strategy		Actions		Projects	2020/21 Progress
3.2.1	Promote and encourage protection of natural assets and sustainable use of resources and utilities	3.2.1.1	As per Action 3.1.1.1	Whole of Shire ongoing advocacy	
3.2.2	Collaborate with State Government and Rio Tinto (the providers of water resources in the Shire) to promote water-wise practices across the Shire	3.2.2.1	Collaborate with stakeholders to promote water-wise practices across the Shire	We continue to encourage providers of water within the Shire to promote water-wise practices	
3.2.3	Encourage and implement improved waste minimisation practices, including proactive approaches to recycling and reuse	3.2.3.1	Encourage and implement improved waste minimisation practices	Shire continuing plans to establish a waste strategy which will address recycling and waste minimisation in all towns	
		3.2.3.2	Development of Pilbara Regional Waste Management Facility	Construction completed and completion ceremony attended by Federal and State Ministers in March 2021. License approval being sought, expected end 2021.	

Objective 3.3: Celebration of history and heritage

Outcome: The Aboriginal and European history and heritage of the Shire is celebrated and valued

Strategy		Actions		Projects	2020/21 Progress
3.3.1	Develop strategies to recognise and celebrate the Aboriginal and Non-Aboriginal history and heritage of the Shire, including providing cultural awareness training opportunities	3.3.1.1	Recognise and celebrate the Shire's Aboriginal and Non-Aboriginal history and heritage	Continue to support NAIDOC week and other celebrations of aboriginal history and culture. Reconciliation Action Plan to be developed	
		3.3.1.2	Support and encourage cultural awareness opportunities	Continue to support NAIDOC week and other celebrations of aboriginal history and culture. Reconciliation Action Plan to be developed	

GOAL 4

Quality Services and Infrastructure

Objective 4.1: Quality public infrastructure

Outcome: Adequate, accessible and sustainable public infrastructure

Strategy	Actions	Projects	2020/21 Progress
4.1.1 Advocate to, and partner with, government to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	4.1.1.1 Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	Shire continues to advocate for the facilitation of the development of Manuwarra Red Dog Hwy (Tom Price – Karratha Road) with Stage 4 due for completion 2024.	●
4.1.2 Provide and maintain affordable infrastructure that serves the current and future needs of the community, environment, industry and business	4.1.2.1 Provide and maintain infrastructure in accordance with asset management plans	Provide and maintain infrastructure in accordance with asset management plans	●
	4.1.2.2 Plan and develop Onslow Marina	Stage 1 construction proposal finalised with construction to begin 2021.	●
4.1.3 Actively engage with State Government, Aboriginal Corporations and communities to support strategies to effectively manage the planned transition of municipal services in Aboriginal communities (upon the completion of the Aboriginal Communities Review by the WA State Government)	4.1.3.1 Advocate for the provision of appropriate services to all of the community	In collaboration with the President, the CEO and Directors to advocate for support strategies to effectively manage the planned transition of municipal services in Aboriginal communities	●
4.1.4 Actively advocate for the effective supply of utilities and services that meet commercial, industrial and retail needs.	4.1.4.1 As per Action 4.1.2.1	Continue to advocate for supply of utilities and services that meet commercial, industrial and retail needs	●



GOAL 4 Quality Services and Infrastructure (continued)

Objective 4.2: Accessible and safe towns

Outcome: Transportation into and throughout towns is improved

Strategy	Actions	Projects	2020/21 Progress
4.2.1 Advocate to, and partner with, key government and industry to develop an air strip at Tom Price and improve public transport and roads between the Shire's towns	4.2.1.1 Advocate and partner with key stakeholders to develop an air strip at Tom Price	Shire continuing to advocate to relevant stakeholders.	
	4.2.1.2 Advocate to improve public transport and roads between the Shire's towns	In collaboration with the Shire President, the CEO and Directors continued to advocate for improved public transport and roads between the Shire's towns	
	4.1.2.3 Maintain and improve road infrastructure in accordance with asset management plans	Maintain and improve road infrastructure in accordance with asset management plans	
	4.2.1.4 Maintain and improve air transport infrastructure in accordance with asset management plans	Shade structures over airport lighting distribution board/system. Runway pavement assessment undertaken.	
4.2.2 Continue to improve and maintain condition of footpaths, cycleway, kerbs and signage to provide enhanced amenities and connections with towns	4.2.2.1 Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning	Footpath renewal program of \$1.8M completed in 2020/21 financial year.	
4.2.3 Maintain and improve existing public lighting and increase coverage of lighting where appropriate	4.2.3.1 Advocate for improved public lighting where appropriate	Shire continuing to advocate to relevant stakeholders.	
4.2.4 Shire to continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	4.2.4.1 Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	Councillors and the CEO continued to advocate for positive crime prevention and safety initiatives	

GOAL 4 Quality Services and Infrastructure (continued)

Objective 4.2: Accessible and safe towns (continued)

Strategy	Actions	Projects	2020/21 Progress
4.2.5 Effectively communicate and manage natural hazards, risks and other community emergencies through the development of an emergency management strategy that includes educating stakeholders and community on how to prevent and address emergencies	4.2.5.1 Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies	In collaboration with Local Emergency Management Committees, Shire staff and Department of Fire and Emergency Services (DFES) to improve and implement emergency management strategies that includes educating stakeholders and community.	●
	4.2.5.2 Development of Emergency Services Precinct in Tom Price	Subdivision approved and construction commenced in April 2021	●
	4.2.5.3 Develop RFDS Airstrip infrastructure	Shire resolution to advocate only	●



Strategic Community Plan

GOAL 4 Quality Services and Infrastructure (continued)

Objective 4.3: Well-planned towns

Outcome: Distinctive and well-functioning towns

Strategy		Actions		Projects	2020/21 Progress
4.3.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	4.3.1.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	Local Planning Strategy was adopted by Council.	
4.3.2	Ensure any new buildings and developments are sensitive to an integrate appropriately with the natural and built environments	4.3.2.1	Continue to ensure any new buildings and developments are sensitive to, and integrate appropriately with the natural and built environments	The Shire have progressed the Onslow Coastal Process Study to address this action.	
4.3.3	Incorporate social planning and ecological sustainable development principles in planning strategies and policies	4.3.3.1	Consider social planning and ecological sustainable development principles in planning strategies and policies	Local Planning Policy reviewed to align with the Scheme Review, following approval of the Local Planning Strategy.	
4.3.4	Continue to provide and maintain a range of public open spaces with high quality amenities.	4.3.4.1	Continue to provide and maintain a range of public open spaces in accordance with asset management plans	Multiple public spaces and recreational facility upgrades completed throughout the financial year including: Paraburdoo – · Quentin Broad Swimming Pool - Renewal of Tiles · Information Bay - Install New Toilet Block, Dog Exercise Yard - Install New, Cricket Nets – Renewal, Ashburton Hall - Install New Air Conditioner. Onslow – · MPC Install New Storage Shed, Community Gardens - Install Toilet Amenities, Back Beach - Renewal of Shade Structure Tom Price – · Clem Thompson Oval - Install New Rebound Nets for AFL, Community Hall - Renewal of 2 x Air Conditioners, Visitors Centre Wash Down Bay	

GOAL 5

Inspiring Governance

Objective 5.1: Effective Planning for the Future

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

Strategy	Actions	Projects	2020/21 Progress
5.1.1 Ensure the Strategic Community Plan and Corporate Business Plan are used effectively to guide all planning and decision making in the delivery of quality services and facilities	5.1.1.1 As per Action 1.1.2.1	Strategic Community Plan and Corporate Business Plans considered and used to drive the final adopted annual budget.	
	5.1.1.2 Review, update and implement asset management plans	Asset management planning is under review with our new Asset Management Strategy proposed for early 2021 year.	
5.1.2 Regular communication and engagement with stakeholders and community to generate a sound understanding, support and buy-in to the Shire's plans and strategies	5.1.2.1 As per Action 1.1.1.1	Community Scorecard Survey completed late 2019 and results informed to Council March 2020.	
5.1.3 Monitor trends, anticipate needs and capitalise on opportunities to build strong communities	5.1.3.1 As per Action 1.2.4.1	Marketing Audit identified improvements and other mediums to review. Will be taken into account in recommendations of Marketing & Communications Strategy	
5.1.4 Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	5.1.4.1 Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	Reconciliation Action Committee proposed for 2020/21.	
5.1.5 Regular monitor, review and revise the Strategic Community Plan (SCP) and develop a four year Corporate Business Plan (CBP) that reflects the evolving community needs and aspirations	5.1.5.1 As per Action 1.1.2.1	Completed	

GOAL 5 Inspiring Governance (continued)

Objective 5.2: Community Ownership

Outcome: An engaged and well-informed constituency

Strategy		Actions		Projects	2020/21 Progress
5.2.1	Ensure equitable and broad representation on committees and in community engagement activities to ensure there is well informed decision making	5.2.1.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.2	Ensure broad participation and diverse representation in research, planning and decision making	5.2.2.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.3	Develop a communications and engagement strategy that ensures the provision of quality information on Shire activities and uses modern methods to foster high levels of community awareness and involvement	5.2.3.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.4	Be a strong voice and advocate for the local community in regional, state and federal settings	5.2.4.1	As per Action 1.3.1.1	<ul style="list-style-type: none"> • Suite of Xciting Ashburton collateral – invest in one of the fastest growing economies in WA – tourism, industry, infrastructure • Beadon Creek Marina brochure • TPCC advocacy brochure 	●



GOAL 5 Inspiring Governance (continued)

Objective 5.3: Council Leadership

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

Strategy		Actions		Projects	2020/21 Progress
5.3.1	Support and strengthen the effectiveness of Councillors, and educate the community on their roles, responsibilities and achievements	5.3.1.1	As per Action 1.3.1.1	Elected Members attended training through WALGA to support and strengthen their effectiveness. Compulsory training was undertaken online due to COVID restrictions.	●
		5.3.1.2	Support and strengthen the effectiveness of Councillors	The CEO and Directors continue to keep Elected Members informed to strengthen the effectiveness of Council through workshops and provision of industry information.	●
		5.3.1.2	Seek to educate the community on the roles, responsibilities and achievements of Council	Communication re local elections 2019, role of Council and what's involved? Good news stories of Council continue to form regular online content and printed material	●
		5.3.1.3	Continue to provide quality regulatory services	We continue to provide and improve Shire regulatory services and establish service standards with Rangers located in Tom Price, Paraburdoo and Onslow	●
5.3.2	Improve civic engagement and leadership to increase the involvement of under-represented groups including youth, the Aboriginal community and seniors	5.3.2.1	As per Action 1.1.1.1	Youth Strategy to be developed in line with ADM08 Community Engagement Policy. A Youth CHUB activation program is planned for 2020/21.	●



GOAL 5 Inspiring Governance (continued)

Objective 5.4: Exemplary team and work environment

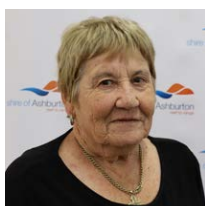
Outcome: Highly-functioning Shire team that effectively manages the Shire’s resources to build strong communities

Strategy	Actions	Projects	2020/21 Progress
<p>5.4.1 Develop an inspired and engaged workforce through the provision of a targeted workforce development plan that includes strategies to attract and retain skilled and capable staff</p>	<p>5.4.1.1 Undertake staff engagement survey to identify strategies to attract and retain staff</p>	<p>Perception Survey update and action items were rolled out Shire wide June 2019. Subsequent perception survey was conducted in 2020, but no actions were implemented due to lack of HR capacity and ELT decision based on employee change fatigue at the time.</p>	<p>○</p>
	<p>5.4.1.2 Review and maintain Workforce Plan and associated plans</p>	<p>Draft workforce plan was done by HR. Subsequent decision was made to temporarily move the workforce plan to Corporate Services which has since been outsourced.</p>	<p>○</p>
	<p>5.4.1.3 Implement strategies with Workforce Plan</p>	<p>Implementation strategies as an outcome of the Workforce Plan review Plan in draft format, yet to be reviewed.</p>	<p>○</p>
<p>5.4.2 Promote an innovative and engaging corporate culture underpinned by the organisation’s vision and mission.</p>	<p>5.4.2.1 Promote an innovative and engaging corporate culture underpinned by the organisation’s vision</p>	<p>The CEO and Directors to continue to liaise with staff and lead by example in the role of the Shire and the need to provide outstanding customer service This is an ongoing initiative and therefore a work in progress.</p>	<p>○</p>

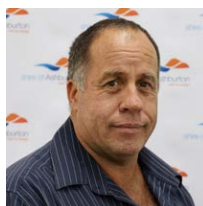




ABOUT COUNCIL Our Councillors



Cr Kerry White
Shire President / Onslow Ward



Cr Doug Diver
Deputy Shire President / Tom Price Ward



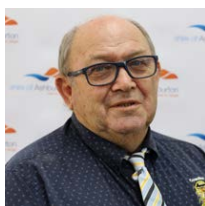
Cr Rory de Pledge
Ashburton Ward



Cr Melanie Gallanagh
Pannawonica Ward



Cr Douglas (Ivan) Dias
Paraburdoo Ward



Cr Linton Rumble
Paraburdoo Ward



Cr Peter Foster
Tom Price Ward
(resigned 1 April 2021)



Cr Matthew Lynch
Tom Price Ward



Cr Jamie Richardson
Tableland Ward

Council Attendance

Elected Member	Ordinary Council Meeting (11)	Special Council Meeting (4)	Audit and Risk (4)	Pilbara Regional Waste (3)	Annual General Meeting of Electors (1)
Cr K White	11	4	4	3	1
Cr D Diver	11	4	4	3	1
Cr R de Pledge	9	4	4		1
Cr M Gallanagh	8	1	2	3	0
Cr D Dias	7	1	3	2	0
Cr L Rumble	10	3	3	2	1
Cr P Foster <i>Resigned 01/04/2021</i>	6	2	2	2	1
Cr M Lynch	10	3	4	3	1
Cr J Richardson	8	4	2	1	1

(Pilbara Regional Waste Committee members, Cr K White, Cr D Diver and Cr M Lynch)

Freedom of Information

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the Shire of Ashburton. The Shire aims to make information available whenever possible, outside the freedom of information process.

The Shire received 3 valid freedom of information applications in 2020-2021. Two were finalised internally. 1 was transferred to another agency.

The Shire of Ashburton's Freedom of Information statement is available on the Shire's website.

The Shire of Ashburton is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Financial Year 2020/21

FOI Requests Received	3
Finalised Internally	2
3rd Party Consultations	1

Complaints and minor breaches

- 0 Number of complaints recorded in the Register of Complaints.
- 0 Complaints and minor breaches - How the complaints were dealt with.

Payments and allowances

- 0 Payments and allowances made to Council members participating on a Standards Panel.
- 0 Payments and allowances paid to the local government for Standards Panel breaches.

Record-keeping Plan

The Shire's current record-keeping plan was submitted to the State Records Office in December 2015 and subsequently approved in March 2016 in accordance with the *State Records Act 2000*. The plan is to be reviewed and submitted to the State Records Office in March 2021.

Training and Awareness

Recordkeeping inductions were held with new employees on commencement. This includes records responsibilities and use of the electronic recordkeeping system.

Information Management Systems

The Shire is continuing a review of its business processes and the various systems used to capture business intelligence across the organisation. An ICT Reference Group consisting of ICT and information management specialists and reporting to the Director of Corporate Services has been formed to inform the review.

Integrated Planning

- There were no modifications to the Strategic Community Plan during the financial year.
- There were no significant modifications to the Corporate Business Plan during the financial year.

Annual Salaries

The *Local Government Act 1995* requires Council to provide the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire had 60 employees whose salary exceeded \$100,000.

Of these employees:

Annual Salary	# of Employees
130-140,000	12
140-150,000	2
150-160,000	0
160-170,000	0
170-180,000	0
180-190,000	2
190-200,000	4
310-320,000	1

Citizenship Ceremonies

1 July – 31 December 2020

5 Ceremonies

7 Conferees became Australian Citizens

- Marcus Alexander Light, New Zealand
- Anna Marszalek, Poland
- Don Lahiru Kumaraage, Sri Lanka
- Benjamin Wunga, Indonesia
- Callum James, New Zealand
- Chantelle Cule Mowat, Philippines
- Katie Louise Gandy, United Kingdom

1 January – 30 June 2021

4 Ceremonies

16 Conferees became Australian Citizens in 2020

- Marama Rawiri, New Zealand
- Colin Gertzen, South Africa
- Stephanie Viljoen, South Africa
- Jan Viljoen, South Africa
- Donnavan Wright, South Africa
- Megan Wright, South Africa
- Joanne Yates, United Kingdom
- Caryl Jamieson, Philippines
- Bincy Antony, India
- Eduard Cortez, Philippines
- Kane Te Tako, New Zealand
- Kristy Chua, Philippines
- Ranales Cambay (Master), Philippines
- Edmund Pohovnikar, Slovenia
- Ljubica Vranjesevic, Bosnia & Herzegovina
- Marilou Mowat, Phillipines





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COMMUNITY VISION

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

Principal place of business:
Lot 246, Poinciana Street
Tom Price WA 6751

**SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Ashburton at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 15th day of December 2021

Chief Executive Officer

Kenn Donohoe

Name of Chief Executive Officer



**SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated* \$
Revenue				
Rates	25(a)	42,419,577	42,138,000	37,053,984
Operating grants, subsidies and contributions	2(a)	4,135,515	5,205,547	8,119,726
Fees and charges	2(a)	7,654,497	6,363,755	6,289,186
Service charges	25(b)	172,717	180,300	180,111
Interest earnings	2(a)	467,647	738,000	1,332,721
Other revenue	2(a)	806,460	768,380	1,182,545
		55,656,413	55,393,982	54,158,273
Expenses				
Employee costs		(17,613,500)	(20,886,763)	(18,949,088)
Materials and contracts		(14,544,897)	(17,938,239)	(12,846,528)
Utility charges		(1,641,837)	(1,648,415)	(1,606,495)
Depreciation on non-current assets	10(b)	(14,312,655)	(12,020,137)	(11,929,071)
Interest expenses	2(b)	(221,423)	(105,600)	(247,813)
Insurance expenses		(1,120,005)	(1,257,405)	(1,077,178)
Other expenditure		(765,451)	(1,198,845)	(1,031,759)
		(50,219,768)	(55,055,404)	(47,687,932)
		5,436,645	338,578	6,470,341
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Profit on asset disposals	10(a)	69,936	29,000	58,823
(Loss) on asset disposals	10(a)	(287,203)	(201,000)	(504,371)
		15,315,395	24,288,994	3,803,002
Net result for the period		20,752,040	24,627,572	10,273,343
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(10,438,982)
Total other comprehensive income for the period		0	0	(10,438,982)
Total comprehensive income for the period		20,752,040	24,627,572	(165,639)

This statement is to be read in conjunction with the accompanying notes.

* See note 29 for details regarding the prior period adjustment



Financial Reports

SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated* \$
Revenue				
	2(a)			
Governance		544,644	590,000	1,061,666
General purpose funding		46,360,690	44,990,000	42,516,009
Law, order, public safety		72,348	95,885	96,171
Health		268,916	300,000	300,330
Education and welfare		55,784	60,000	243,960
Housing		436,868	236,360	477,438
Community amenities		3,002,157	2,445,000	2,705,963
Recreation and culture		842,297	1,553,750	1,300,384
Transport		1,793,375	3,543,585	3,013,688
Economic services		2,124,809	1,389,402	2,274,278
Other property and services		154,525	190,000	168,386
		55,656,413	55,393,982	54,158,273
Expenses				
	2(b)			
Governance		(7,381,138)	(11,674,916)	(5,876,571)
General purpose funding		(14,762)	(26,500)	(22,945)
Law, order, public safety		(1,119,315)	(1,011,915)	(1,286,502)
Health		(661,603)	(529,885)	(810,610)
Education and welfare		(311,268)	(198,697)	(231,809)
Housing		(2,011,354)	(2,351,047)	(1,388,986)
Community amenities		(7,675,689)	(7,994,612)	(7,566,929)
Recreation and culture		(11,138,993)	(11,813,229)	(11,017,421)
Transport		(14,841,417)	(15,104,472)	(13,958,420)
Economic services		(3,104,994)	(2,846,022)	(2,880,870)
Other property and services		(1,853,728)	(1,398,509)	(2,511,858)
		(50,114,261)	(54,949,804)	(47,552,921)
Finance Costs				
	2(b)			
Governance		(20,976)	(21,000)	(22,357)
Housing		(25,891)	(25,900)	(44,557)
Community amenities		(50,565)	(50,600)	(58,462)
Recreation and culture		0	0	(408)
Transport		(8,075)	(8,100)	(9,227)
		(105,507)	(105,600)	(135,011)
		5,436,645	338,578	6,470,341
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Profit on disposal of assets	10(a)	69,936	29,000	58,823
(Loss) on disposal of assets	10(a)	(287,203)	(201,000)	(504,371)
		15,315,395	24,288,994	3,803,002
Net result for the period		20,752,040	24,627,572	10,273,343
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(10,438,982)
Total other comprehensive income for the period		0	0	(10,438,982)
Total comprehensive income for the period		20,752,040	24,627,572	(165,639)

This statement is to be read in conjunction with the accompanying notes.

* See note 29 for details regarding the prior period adjustment



**SHIRE OF ASHBURTON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021	2020 Restated*	2019 Restated*
		\$	\$	
CURRENT ASSETS				
Cash and cash equivalents	3	66,833,788	69,882,380	60,252,679
Trade and other receivables	5	2,558,199	3,187,632	4,272,597
Inventories	6	158,098	145,831	702,729
Other assets	7	320,192	1,366,477	509,793
TOTAL CURRENT ASSETS		69,870,277	74,582,320	65,737,798
NON-CURRENT ASSETS				
Inventories	6	1,204,116	1,149,169	400,892
Property, plant and equipment	8	126,612,835	118,971,059	112,790,978
Infrastructure	9	411,531,184	398,811,506	410,105,608
TOTAL NON-CURRENT ASSETS		539,348,135	518,931,734	523,297,478
TOTAL ASSETS		609,218,412	593,514,054	589,035,276
CURRENT LIABILITIES				
Trade and other payables	12	4,789,938	10,304,781	8,583,757
Other liabilities	13	9,720,512	8,349,565	0
Borrowings	14(a)	475,420	779,807	766,294
Employee related provisions	15	1,508,105	1,703,074	1,536,357
TOTAL CURRENT LIABILITIES		16,493,975	21,137,227	10,886,408
NON-CURRENT LIABILITIES				
Borrowings	14(a)	1,791,877	2,267,297	3,047,102
Employee related provisions	15	261,790	306,715	336,761
Other provisions	16	4,315,753	4,199,838	4,087,036
TOTAL NON-CURRENT LIABILITIES		6,369,420	6,773,850	7,470,899
TOTAL LIABILITIES		22,863,395	27,911,077	18,357,307
NET ASSETS		586,355,017	565,602,977	570,677,969
EQUITY				
Retained surplus		237,717,950	218,953,075	221,165,230
Reserves - cash backed	4	57,957,773	55,970,608	48,394,463
Revaluation surplus	11	290,679,294	290,679,294	301,118,276
TOTAL EQUITY		586,355,017	565,602,977	570,677,969

This statement is to be read in conjunction with the accompanying notes.

* See note 29 for details regarding the prior period adjustment



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**SHIRE OF ASHBURTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		221,165,230	48,394,463	301,118,276	570,677,969
Prior period adjustment - AASB 15/1058		(3,950,454)	0	0	(3,950,454)
Change in accounting policy		(958,899)	0	0	(958,899)
Restated balance at the beginning of the financial year		216,255,877	48,394,463	301,118,276	565,768,616
Comprehensive income					
Net result for the period (restated)		10,273,343	0	0	10,273,343
Other comprehensive income	11	0	0	(10,438,982)	(10,438,982)
Total comprehensive income		10,273,343	0	(10,438,982)	(165,639)
Transfers from reserves	4	6,482,008	(6,482,008)	0	0
Transfers to reserves	4	(14,058,153)	14,058,153	0	0
Balance as at 30 June 2020		218,953,075	55,970,608	290,679,294	565,602,977
Comprehensive income					
Net result for the period		20,752,040	0	0	20,752,040
Total comprehensive income		20,752,040	0	0	20,752,040
Transfers from reserves	4	20,001,425	(20,001,425)	0	0
Transfers to reserves	4	(21,988,590)	21,988,590	0	0
Balance as at 30 June 2021		237,717,950	57,957,773	290,679,294	586,355,017

This statement is to be read in conjunction with the accompanying notes.



SHIRE OF ASHBURTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		40,264,358	42,138,000	36,523,739
Operating grants, subsidies and contributions		5,733,975	3,448,747	7,098,955
Fees and charges		7,587,929	6,363,755	6,289,186
Service charges		172,717	180,300	180,111
Interest received		467,647	738,000	1,332,721
Goods and services tax received		3,147,974	1,756,800	4,150,769
Other revenue		806,460	768,380	1,182,545
		58,181,060	55,393,982	56,758,026
Payments				
Employee costs		(18,681,688)	(20,886,763)	(18,351,504)
Materials and contracts		(16,044,568)	(19,421,739)	(9,873,404)
Utility charges		(1,641,837)	(1,648,415)	(1,606,495)
Interest expenses		(221,423)	(105,600)	(135,011)
Insurance paid		(1,120,005)	(1,257,405)	(1,077,178)
Goods and services tax paid		(2,732,074)	1,483,500	(4,275,862)
Other expenditure		(765,451)	(1,198,845)	(1,031,759)
		(41,207,046)	(43,035,267)	(36,351,213)
Net cash provided by (used in) operating activities	17	16,974,014	12,358,715	20,406,813
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(13,276,832)	(28,671,005)	(5,288,301)
Payments for construction of infrastructure	9(a)	(22,196,120)	(34,329,605)	(12,827,830)
Non-operating grants, subsidies and contributions		15,648,577	24,460,994	7,688,762
Proceeds from sale of property, plant & equipment	10(a)	581,576	600,000	416,551
Net cash provided by (used in) investment activities		(19,242,799)	(37,939,616)	(10,010,818)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(779,807)	(780,000)	(766,294)
Net cash provided by (used in) financing activities		(779,807)	(780,000)	(766,294)
Net increase (decrease) in cash held		(3,048,592)	(26,360,901)	9,629,701
Cash at beginning of year		69,882,380	69,317,576	60,252,679
Cash and cash equivalents at the end of the year	17	66,833,788	42,956,675	69,882,380

This statement is to be read in conjunction with the accompanying notes.



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**SHIRE OF ASHBURTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	4,146,845	8,881,405	8,206,422
		4,146,845	8,881,405	8,206,422
Revenue from operating activities (excluding rates)				
Governance		544,644	590,000	1,061,666
General purpose funding		3,952,100	2,852,000	5,476,145
Law, order, public safety		72,348	95,885	96,171
Health		268,916	300,000	300,330
Education and welfare		55,784	60,000	243,960
Housing		436,868	236,360	477,438
Community amenities		3,002,157	2,445,000	2,705,963
Recreation and culture		842,297	1,553,750	1,300,384
Transport		1,863,311	3,572,585	3,072,511
Economic services		2,124,809	1,389,402	2,274,278
Other property and services		154,525	190,000	168,386
		13,317,759	13,284,982	17,177,232
Expenditure from operating activities				
Governance		(7,402,114)	(11,695,916)	(5,898,928)
General purpose funding		(14,762)	(26,500)	(22,945)
Law, order, public safety		(1,119,315)	(1,011,915)	(1,286,502)
Health		(661,603)	(529,885)	(810,610)
Education and welfare		(311,268)	(198,697)	(231,809)
Housing		(2,037,245)	(2,376,947)	(1,691,546)
Community amenities		(7,746,323)	(8,045,212)	(7,657,828)
Recreation and culture		(11,161,305)	(11,813,229)	(11,094,179)
Transport		(14,859,102)	(14,036,263)	(14,105,228)
Economic services		(3,340,206)	(2,846,022)	(2,880,870)
Other property and services		(1,853,728)	(1,398,509)	(2,511,858)
		(50,506,971)	(53,979,095)	(48,192,303)
Non-cash amounts excluded from operating activities	26(a)	14,545,965	12,199,498	11,709,099
Amount attributable to operating activities		(18,496,402)	(19,613,210)	(11,099,550)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Proceeds from disposal of assets	10(a)	581,576	600,000	416,551
Purchase of property, plant and equipment	8(a)	(13,276,832)	(28,671,005)	(5,288,301)
Purchase and construction of infrastructure	9(a)	(22,196,120)	(34,329,605)	(12,827,830)
Amount attributable to investing activities		(19,358,714)	(37,939,616)	(13,451,030)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(779,807)	(780,000)	(766,294)
Transfers to reserves (restricted assets)	4	(21,988,590)	(1,549,487)	(14,058,153)
Transfers from reserves (restricted assets)	4	20,001,425	17,744,313	6,482,008
Amount attributable to financing activities		(2,766,972)	15,414,826	(8,342,439)
Surplus/(deficit) before imposition of general rates		(40,622,088)	(42,138,000)	(32,893,019)
Total amount raised from general rates	25(a)	42,408,590	42,138,000	37,039,864
Surplus/(deficit) after imposition of general rates	26(b)	1,786,502	0	4,146,845

This statement is to be read in conjunction with the accompanying notes.



**SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2021**

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**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	184,128	430,000	502,388
General purpose funding	3,477,541	2,100,000	4,126,223
Law, order, public safety	1,544	0	3
Health	104,162	155,000	150,883
Housing	0	0	315
Community amenities	159,741	280,000	290,000
Recreation and culture	371,503	1,021,000	873,490
Transport	(617,649)	1,219,547	1,176,337
Economic services	454,545	0	1,000,087
	4,135,515	5,205,547	8,119,726
Non-operating grants, subsidies and contributions			
Governance	0	922,000	0
Law, order, public safety	212,717	3,220,000	0
Education and welfare	3,642,186	4,000,000	0
Community amenities	9,772,053	10,914,201	0
Recreation and culture	(53,382)	1,920,477	1,257,219
Transport	1,920,501	3,431,655	2,188,284
Economic services	38,587	52,661	803,047
	15,532,662	24,460,994	4,248,550
Total grants, subsidies and contributions	19,668,177	29,666,541	12,368,276
Fees and charges			
Governance	10,136	3,000	4,701
General purpose funding	9,386	14,000	11,815
Law, order, public safety	57,405	61,266	61,485
Health	164,753	145,000	149,446
Education and welfare	52,100	57,000	67,900
Housing	280,163	109,600	297,498
Community amenities	2,842,416	2,165,000	2,415,963
Recreation and culture	441,392	488,750	408,094
Transport	2,300,710	2,260,038	1,823,906
Economic services	1,474,211	1,060,101	1,048,378
Other property and services	21,825	0	0
	7,654,497	6,363,755	6,289,186

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	4,135,515	5,205,547	8,119,726
Fees and charges	7,654,497	6,363,755	6,289,186
Other revenue	522,950	463,001	344,615
Non-operating grants, subsidies and contributions	15,532,662	24,460,994	4,248,550
	27,845,624	36,493,297	19,002,077
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	9,720,512	0	8,349,565
Revenue from contracts with customers recognised during the year	2,592,450	12,032,303	6,403,962
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	15,532,662	24,460,994	4,248,550
	27,845,624	36,493,297	19,002,077
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	1,979,567	0	2,207,080
Contract liabilities from contracts with customers	(9,720,512)	0	(8,349,565)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	42,408,590	42,138,000	37,039,864
Service charges	172,717	180,300	180,111
	<u>42,581,307</u>	<u>42,318,300</u>	<u>37,219,975</u>
Other revenue			
Reimbursements and recoveries	283,510	305,379	837,930
Sale of inventory	0	0	344,615
Other	522,950	441,000	0
	<u>806,460</u>	<u>746,379</u>	<u>1,182,545</u>
Interest earnings			
Interest on reserve funds	282,353	420,000	761,302
Rates instalment and penalty interest (refer Note 25(d))	78,527	98,000	178,528
Other interest earnings	106,767	220,000	392,891
	<u>467,647</u>	<u>738,000</u>	<u>1,332,721</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Financial Reports

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		55,000	55,000	55,000
- Other services		4,370	0	1,547
		59,370	55,000	56,547
Interest expenses (finance costs)				
Borrowings	14(b)	105,507	105,600	135,011
Provision for rehabilitation		115,916	0	112,802
		221,423	105,600	247,813
Other expenditure				
Impairment loss on trade and other receivables		0		
Impairment loss on trade and other receivables from contracts with customers		325,531	0	392,099
Sundry expenses		439,920	1,198,845	639,660
		765,451	1,198,845	1,031,759

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Service Charges	Underground Power	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Grants subsidies or contributions for other purposes & construction of non-financial assets	construction or acquisition of recognisable non-financial assets & provision of services to the community	over time	Fixed terms transfer of funds based on agreed milestones and reporting	None	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and Charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Building, Planning	Single point in time	Full payment prior to inspection	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Fully payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - Waste management entry fees	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment recycling and disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided monthly in arrears	None	Adopted by council annually	Not applicable	Not applicable	On entry to facility
Fees and charges airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within specified number of days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Overtime	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	When fine notice is issued
Fees and charges - finds	Fine issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council annually, set by mutual agreement	When taxable event occurs	Not applicable	
Other revenue commissions	Commissions ticket sales & visitors centre sales	Overtime	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		8,876,014	13,911,772
Cash Reserves		57,957,774	55,970,608
Total cash and cash equivalents		66,833,788	69,882,380
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		67,678,285	56,318,367
		67,678,285	56,318,367
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	57,957,773	55,970,608
Contract liabilities from contracts with customers	13	9,720,512	8,349,565
Unspent grants, subsidies and contributions		0	(8,001,806)
Total restricted assets		67,678,285	56,318,367

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Closing Balance
(a) Reserves cash backed - Leave Reser	1,105,498	6,555	1,112,053	1,102,685	7,361	1,110,046	1,087,432	18,066	1,105,498
(b) Financial Risk Reserve	6,588,559	39,068	6,627,627	6,620,874	44,198	6,665,072	7,913,308	350,473	6,588,559
(c) Future Projects Reserve	3,014,040	19,044,085	21,170,305	3,006,988	29,712	887,820	2,726,543	287,497	3,014,040
(d) Housing Reserve	1,895,016	11,237	1,906,253	1,892,375	14,592	1,906,967	1,406,104	1,259,162	1,895,016
(e) Infrastructure Reserve	3,527,615	20,918	3,548,533	2,523,546	23,645	1,037,000	3,439,381	2,581,555	3,527,615
(f) Joint Venture Housing Reserve	103,382	613	103,995	103,118	1,022	104,140	101,693	1,689	103,382
(g) Onslow Aerodrome Reserve	14,650,167	86,871	14,737,038	14,680,053	117,412	14,797,465	14,636,336	294,003	14,650,167
(h) Onslow Community Infrastructure Res	197,817	1,173	198,990	197,313	1,317	198,630	194,584	3,233	197,817
(i) Plant Replacement Reserve	1,453,887	788,621	2,242,508	1,452,347	799,295	2,251,642	488,698	1,477,189	1,453,887
(j) Property Development Reserve	4,945,740	1,929,351	6,875,091	5,942,039	374,521	6,316,560	2,671,312	2,286,479	4,945,740
(k) RTIO Partnership Reserve	6,876,292	0	6,876,292	6,920,316	59,439	3,012,575	3,798,260	3,383,958	6,876,292
(l) Tom Price Administration Building Res	6,116,890	36,271	6,153,161	6,101,324	50,409	3,251,733	6,016,930	99,960	6,116,890
(m) Unspent Grants and Contribution Res	1,521,460	260	1,521,720	1,487,776	2,487	746,740	896,953	1,043,157	1,521,460
(n) Waste Services Reserve	3,052,514	18,101	3,070,615	3,059,246	22,408	2,486,671	3,016,930	50,000	3,052,514
(o) COVID-19 Relief & Stimulus	921,731	5,466	927,197	250,000	1,669	251,669	(1)	921,732	921,731
	55,970,608	21,988,990	77,959,598	55,340,000	1,549,487	76,889,487	48,394,463	14,088,153	55,970,608

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reser	30/06/2021	To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid upon termination of their employment.
(b) Financial Risk Reserve	Ongoing	To provide funds to mitigate against Financial Risks including legal cases with penalties awarded against the Shire, SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Shire.
(c) Future Projects Reserve	Ongoing	To provide funds for Future Capital Projects determined in the Long Term Financial Plan.
(d) Housing Reserve	30/06/2022	To provide funds to assist the Council to maintain and improve Council housing stock in accordance with the Housing Asset Management Plan.
(e) Infrastructure Reserve	30/06/2022	To provide funds for provision and maintenance of new and existing infrastructure assets (including Buildings) throughout the Shire.
(f) Joint Venture Housing Reserve	Ongoing	To provide funds for repairs and maintenance in compliance with Joint Venture Housing Agreements.
(g) Onslow Aerodrome Reserve	Ongoing	To provide funds for operational surpluses and deficits as well as the upgrading and modifications to the Onslow Aerodrome.
(h) Onslow Community Infrastructure Res	30/06/2022	To provide funds for the development of community facilities in Onslow.
(i) Plant Replacement Reserve	Ongoing	To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.
(j) Property Development Reserve	30/06/2022	To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.
(k) RTIO Partnership Reserve	30/06/2021	For the purpose of funding the projects and programs associated with partnership agreements between the Shire of Ashburton and Rio Tinto.
(l) Tom Price Administration Building Res	30/06/2024	To provide funds for replacement Tom Price Administration Building.
(m) Unspent Grants and Contribution Res	30/06/2021	To preserve unspent Grant and ongoing Capital works Funds.
(n) Waste Services Reserve	Ongoing	To provide funds for the upgrading and modifications to Waste Facilities within the Shire.
(o) COVID-19 Relief & Stimulus	Ongoing	To provide financial support and relief initiatives to assist small business and community groups suffering financial hardship as a result of the impacts of the COVID-19 pandemic; and to provide economic stimulus during recovery.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

	2021	2020
	\$	\$
	735,549	1,372,651
	1,979,567	2,207,080
	168,614	0
	(325,531)	(392,099)
	2,558,199	3,187,632

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6. INVENTORIES

Current

Fuel and materials
 Tourist Bureau Stock

Non-current

Land held for resale - cost
 Cost of acquisition
 Development costs

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	62,280	7,619
	95,818	138,212
	158,098	145,831
	400,892	400,892
	803,224	748,277
	1,204,116	1,149,169
	1,295,000	1,103,621
	67,214	191,379
	1,362,214	1,295,000

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract Assets

	2021	2020
	\$	\$
Prepayments	88,575	19,498
Accrued income	231,617	300,862
Contract Assets	0	1,046,117
	320,192	1,366,477

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Works in Progress \$	Total property, plant and equipment \$
Balance at 1 July 2019	16,782,000	15,331,738	71,307,186	103,420,924	989,980	8,087,800	292,276	112,790,980
Additions	315,000	855,790	2,206,078	3,376,868	47,498	919,479	944,456	5,288,301
(Disposals)	0	(258,003)	(108,787)	(366,790)	0	(495,309)	0	(862,099)
Revaluation increments / (decrements) transferred to revaluation surplus	(5,052,000)	(2,018,275)	2,774,293	(4,295,982)	0	0	0	(4,295,982)
Depreciation (expense)	0	(226,585)	(1,711,201)	(1,937,786)	(170,474)	(573,726)	0	(2,681,986)
Transfers	0	0	8,801,656	8,801,656	0	0	(69,811)	8,731,845
Balance at 30 June 2020	12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Comprises:								
Gross balance amount at 30 June 2020	12,045,000	13,684,665	83,759,448	109,489,113	1,131,573	8,477,279	1,166,921	120,264,886
Accumulated depreciation at 30 June 2020	0	0	(490,223)	(490,223)	(264,569)	(539,035)	0	(1,293,827)
Balance at 30 June 2020	12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Additions	4,156,518	583,613	4,439,523	9,179,654	258,174	1,992,571	1,846,433	13,276,832
(Disposals)	0	0	(245,453)	(245,453)	0	(553,390)	0	(798,843)
Depreciation (expense)	0	(606,690)	(3,055,426)	(3,662,116)	(174,345)	(631,674)	0	(4,468,135)
Reclassification	0	500,616	163,805	664,421	0	0	(664,421)	0
Transfers	0	0	0	0	0	0	(368,078)	(368,078)
Balance at 30 June 2021	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
Comprises:								
Gross balance amount at 30 June 2021	16,201,518	14,768,894	88,094,939	119,065,351	1,389,746	9,824,020	1,980,855	132,259,972
Accumulated depreciation at 30 June 2021	0	(606,690)	(3,523,265)	(4,129,955)	(438,913)	(1,078,269)	0	(5,647,137)
Balance at 30 June 2021	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835

SHIRE OF ASHBURTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021
8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per hectare.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per square metre.
Buildings - specialised	3	Cost approach using current replacement cost.	Independent registered valuers	June 2020	Construction costs and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, the have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs. Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

(ii) Cost					
Furniture and equipment		Costs	Costs		Purchase Cost
Plant and equipment		Costs	Costs		Purchase Cost

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Airports	Infrastructure - Bridges	Infrastructure - Parks and Recreation	Infrastructure - Towns	Infrastructure - Waste	Infrastructure - Works in Progress	Total Infrastructure
Balance at 1 July 2019	\$ 275,512,792	\$ 7,985,045	\$ 30,903,276	\$ 53,507,712	\$ 1,475,967	\$ 22,678,221	\$ 6,338,735	\$ 8,398,202	\$ 3,305,656	\$ 410,105,606
Additions	5,798,533	528,934	379,510	0	0	656,126	194,761	14,416	5,255,550	12,827,830
Revaluation increments / (decrements) transferred to revaluation surplus	(6,143,000)	0	0	0	0	0	0	0	0	(6,143,000)
Depreciation (expense)	(6,049,396)	(183,320)	(561,358)	(851,501)	(32,848)	(858,866)	(257,769)	(342,027)	0	(9,247,085)
Transfers	1,262,548			(7,373,398)			45,364	(1,357,198)		(8,731,845)
Balance at 30 June 2020	270,381,477	8,330,659	30,721,428	45,182,813	1,443,119	22,475,481	6,311,091	6,713,393	7,252,045	395,811,506
Comprises:										
Gross balance at 30 June 2020	338,609,553	10,894,945	51,357,861	51,570,236	2,627,874	30,775,401	8,050,017	8,389,785	7,252,045	508,525,717
Accumulated depreciation at 30 June 2020	(68,228,076)	(2,564,286)	(20,636,433)	(6,387,423)	(1,184,755)	(8,297,920)	(1,738,926)	(1,676,392)	0	(110,714,211)
Balance at 30 June 2020	270,381,477	8,330,659	30,721,428	45,182,813	1,443,119	22,475,481	6,311,091	6,713,393	7,252,045	395,811,506
Additions	1,819,747	2,047,174	473,361	392,652	0	4,280,525	34,245	133,988	13,014,428	22,196,120
Depreciation (expense)	(6,765,774)	(192,353)	(565,611)	(830,281)	(32,848)	(871,835)	(280,069)	(305,750)	0	(9,844,520)
Reclassification	113,633	0	12,588	0	0	303,383	384,302	0	(813,906)	0
Transfers	0	0	0	150	0	76,345	8,636	0	280,947	368,078
Balance at 30 June 2021	265,549,083	10,185,480	30,641,766	44,745,334	1,410,271	26,265,899	6,458,206	6,541,631	19,733,514	411,531,184
Comprises:										
Gross balance at 30 June 2021	340,542,933	12,942,119	51,843,810	51,963,038	2,627,874	35,435,654	8,477,200	8,523,773	19,733,514	532,089,915
Accumulated depreciation at 30 June 2021	(74,993,850)	(2,756,639)	(21,202,044)	(7,217,704)	(1,217,603)	(9,169,755)	(2,018,994)	(1,982,142)	0	(120,558,731)
Balance at 30 June 2021	265,549,083	10,185,480	30,641,766	44,745,334	1,410,271	26,265,899	6,458,206	6,541,631	19,733,514	411,531,184

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Footpaths	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Drainage	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Airports	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Bridges	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Parks and Recreation	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Towns	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - Waste	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs. Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment-type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Financial Reports

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	0	0	0	0	0	0	0	0	258,003	0	0	(258,003)
Buildings - specialised	245,453	0	0	(245,453)	0	0	0	0	108,787	0	0	(108,787)
Plant and equipment	553,390	581,576	69,936	(41,750)	772,000	600,000	29,000	(201,000)	495,309	416,551	58,823	(137,581)
	798,843	581,576	69,936	(287,203)	772,000	600,000	29,000	(201,000)	862,099	416,551	58,823	(504,371)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Community amenities				
Assets disposed of producing a loss	20,069	0	0	(20,069)
Recreation and culture				
Assets disposed of producing a loss	22,312	0	0	(22,312)
Transport				
Assets disposed of producing a loss	152,104	142,494	0	(9,610)
Assets disposed of producing a Profit	369,146	439,082	69,936	0
Economic services				
Assets disposed of producing a loss	235,212	0	0	(235,212)
	798,842	581,576	69,936	(287,202)
	798,842	581,576	69,936	(287,202)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(b) Depreciation	2021	2021	2020
	Actual	Budget	Actual
	\$	\$	\$
Buildings - non-specialised	606,690	349,976	226,585
Buildings - specialised	3,055,426	1,762,555	1,711,201
Furniture and equipment	174,345	177,356	170,474
Plant and equipment	631,674	645,371	573,726
Infrastructure - roads	6,765,774	5,955,658	6,049,396
Infrastructure - Footpaths	192,353	177,356	183,320
Infrastructure - Drainage	565,611	610,000	561,358
Infrastructure - Airports	830,281	1,029,000	951,501
Infrastructure - Bridges	32,848	32,000	32,848
Infrastructure - Parks and Recreation	871,835	837,865	858,866
Infrastructure - Towns	280,068	269,000	267,769
Infrastructure - Waste	305,750	174,000	342,027
	14,312,655	12,020,137	11,929,071

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life	
Buildings	15 to 100 years	1.00-10%
Furniture and Equipment	4 to 10 years	10.00-25.00%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20.00%
Plant and Equipment	3 to 20 years	5-33.33%
Motor Vehicles	3 to 5 years	20.00-33.00%
Infrastructure Other	10 to 100 years	1.00-10.00%
Water Supply Piping & Drainage Systems	100 years	1.00%
Sewerage Piping	100 years	1.00%
Footpaths	35 to 50 years	2.00-2.85%
Urban Roads (Sealed)		
Formation	not depreciated	
Pavement Base	80 years	1.25%
Seal (Asphalt / Bitumen)	15 to 40 years	2.5-5%
Other Roads (Gravel)		
Formation	not depreciated	
Pavement Base	80 years	1.25%
Gravel Sheet	12 years	8.33%

Depreciation on revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement) Revaluation	Total Movement on Revaluation	2020 Closing Balance
Revaluation surplus - Land and Building	30,564,476	30,564,476	35,620,458	(5,055,982)	(5,055,982)	30,564,476
Revaluation surplus - Furniture and equipment	612,552	612,552	612,552	0	0	612,552
Revaluation surplus - Plant and equipment	827,843	827,843	827,843	0	0	827,843
Revaluation surplus - Infrastructure - Roads	231,236,251	231,236,251	237,379,251	(6,143,000)	(6,143,000)	231,236,251
Revaluation surplus - Infrastructure - Footpaths	4,562,594	4,562,594	4,562,594	0	0	4,562,594
Revaluation surplus - Infrastructure - Drainage	18,554,989	18,554,989	18,554,989	0	0	18,554,989
Revaluation surplus - Infrastructure - Airports	3,316,303	3,316,303	3,316,303	0	0	3,316,303
Revaluation surplus - Infrastructure - Bridges	1,003,670	1,003,670	1,003,670	0	0	1,003,670
Revaluation surplus - Infrastructure - Waste	616	616	616	0	0	616
	290,679,294	290,679,294	301,878,276	(11,198,982)	(11,198,982)	290,679,294

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

Vested land no longer required to be recognised. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State, or regional significance should no longer be recognised.

**SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2021**

12. TRADE AND OTHER PAYABLES

Current

	2021	2020
	\$	\$
Sundry creditors	2,114,009	4,150,102
Prepaid rates	488,654	3,280,975
Accrued salaries and wages	442,354	365,808
ATO liabilities	0	59,803
Accrued expenses	1,380,933	2,325,115
Accrued interest	9,356	14,844
Other payables	354,632	108,134
	<u>4,789,938</u>	<u>10,304,781</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2021**

13. OTHER LIABILITIES

Current
Contract liabilities

	2021	2020
	\$	\$
	9,720,512	8,349,565
	<u>9,720,512</u>	<u>8,349,565</u>
	9,720,512	8,349,565

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

**SHIRE OF ASHBURTON
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14. INFORMATION ON BORROWINGS

	2021	2020
(a) Borrowings	\$	\$
Current	475,420	779,807
Non-current	1,791,877	2,267,297
	2,267,297	3,047,104

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		
				Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal
Government																		
Onslow Administration Building	124	WATC	3.31%	644,752	(20,976)	(44,567)	(21,000)	600,152	(21,000)	687,879	(43,127)	600,152	(22,357)	644,752	(22,357)	644,752	(22,357)	644,752
Housing																		
Staff Housing	117	WATC	5.45%	227,608	(11,440)	(71,756)	(11,400)	155,808	(11,400)	295,542	(67,934)	155,808	(14,914)	227,608	(14,914)	227,608	(14,914)	227,608
Staff Housing	121	WATC	5.97%	321,162	(14,451)	(32,116)	(14,500)	(36)	(14,500)	623,976	(302,814)	(36)	(29,643)	321,162	(29,643)	321,162	(29,643)	321,162
Community amenities																		
Onslow Transfer Station	122	WATC	3.08%	1,722,024	(50,565)	(323,679)	(50,600)	1,398,323	(50,600)	2,035,960	(313,936)	1,398,323	(58,462)	1,722,024	(58,462)	1,722,024	(58,462)	1,722,024
Recreation and culture																		
Community Rec. Centre	118	WATC	5.82%	0	0	0	0	0	0	20,972	(20,972)	0	(408)	0	(408)	0	(408)	0
Transport																		
Onslow Aerodrome Upgrade	119	WATC	6.36%	131,558	(6,075)	(18,643)	(8,100)	112,859	(8,100)	149,069	(17,511)	112,859	(9,227)	131,558	(9,227)	131,558	(9,227)	131,558
				3,047,104	(105,507)	(779,807)	(105,600)	2,267,297	(105,600)	3,813,398	(766,294)	2,267,104	(135,011)	3,047,104	(135,011)	3,047,104	(135,011)	3,047,104

* WA Treasury Corporation

SHIRE OF ASHBURTON
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14. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	40,000	75,000
Credit card balance at balance date	(12,462)	(17,825)
Total amount of credit unused	27,538	57,175
Loan facilities		
Loan facilities - current	475,420	779,807
Loan facilities - non-current	1,791,877	2,267,297
Total facilities in use at balance date	2,267,297	3,047,104
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 27.

SHIRE OF ASHBURTON
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15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	1,020,302	682,772	1,703,074
Non-current provisions	0	306,716	306,715
	1,020,302	989,488	2,009,789
Additional provision	(63,879)	(176,016)	(239,895)
Balance at 30 June 2021	956,423	813,472	1,769,894
Comprises			
Current	956,423	551,682	1,508,105
Non-current	0	261,790	261,790
	956,423	813,472	1,769,895
	2021	2020	
	\$	\$	
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date	1,351,682		
More than 12 months from reporting date	418,213	2,009,789	
	1,769,895	2,009,789	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF ASHBURTON
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16. OTHER PROVISIONS

	Provision for Rehabilitation	Total
	\$	\$
Opening balance at 1 July 2020		
Non-current provisions	4,199,838	4,199,838
	4,199,838	4,199,838
Additional provision	115,915	115,915
Balance at 30 June 2021	4,315,753	4,315,753
Comprises		
Non-current	4,315,753	4,315,753
	4,315,753	4,315,753

Provision for remediation costs

Under the licence for the operation of the Tom Price and Paraburdoo waste landfill sites, there Shire has a legal obligation to restore the site.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2021

17. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	66,833,788	42,956,675	69,882,380
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	20,752,040	24,627,572	10,273,343
Non-cash flows in Net result:			
Depreciation on non-current assets	14,312,655	12,020,137	11,929,071
(Profit)/loss on sale of asset	217,267	172,000	445,548
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,213,947	0	669,088
(Increase)/decrease in other assets	1,046,285	0	(856,684)
(Increase)/decrease in inventories	(67,214)	0	(191,379)
Increase/(decrease) in payables	(6,099,357)	0	2,136,902
Increase/(decrease) in employee provisions	(239,894)	0	0
Increase/(decrease) in other provisions	115,915	0	249,474
Increase/(decrease) in other liabilities	1,370,947	0	3,440,212
Non-operating grants, subsidies and contributions	(15,648,577)	(24,460,994)	(7,688,762)
Net cash from operating activities	16,974,014	12,358,715	20,406,813

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SHIRE OF ASHBURTON
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 FOR THE YEAR ENDED 30 JUNE 2021

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	18,654,463	25,642,156
General purpose funding	8,743,729	9,869,560
Law, order, public safety	1,075,269	841,647
Health	22,669	0
Education and welfare	8,314,879	4,742,222
Housing	21,339,985	21,502,265
Community amenities	29,471,296	19,328,171
Recreation and culture	65,073,744	63,576,729
Transport	399,918,733	405,439,667
Economic services	32,181,118	11,395,188
Other property and services	15,077,022	13,132,089
Unallocated	9,345,505	18,044,360
	<u>609,218,412</u>	<u>593,514,054</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. CONTINGENT LIABILITIES

Wittenoom Asbestos

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has remained relatively steady over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases could potentially place the Shire at a greater financial risk.

The Shire has a commitment from the State Government that it will support a financial contribution if the Wittenoom impost becomes too onerous for the Shire. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which in turn may convert to higher rating levels, or a reduction in services provided to ratepayers.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
Tom Price Sport Oval Lighting	560,681	0
Onslow Airport Civil Works	3,222,733	0
Onslow Airport Aviation Development	143,400	0
Tom Price Visitor Bay	838,315	0
Onslow Sun Chalet Upgrade	683,795	0
Drainage Renewals	230,091	0
Onslow Caravan Park	1,087,479	0
Pilbara Regional Waste Management Facility (Onslow)	0	10,850,836
Tom Price Staff Housing (Demolish & Rebuild)	0	652,862
Paraburdoo New Softball/Soccer & Rugby Pitch Upgrade	0	257,129
Waste Operation Buildings - Paraburdoo and Tom Price	0	360,183
Road Renewals - Ashburton Down Meetartharra Rd	0	1,157,073
Kerb & Gutter Renewal	0	345,440
Footpath Construction Renewal	0	1,726,320
Mine Road renewal & Widening	0	147,827
- plant & equipment purchases	197,869	0
	6,964,363	15,497,670
Payable:		
- not later than one year	6,964,363	15,497,670

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

	2021	2020
	\$	\$
Payable:		
- not later than one year	0	7,308
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	7,308

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr Kerry White			
President's annual allowance	63,354	63,354	63,354
Meeting attendance fees	31,149	31,149	31,149
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	4,288	5,000	4,838
	99,291	100,003	99,841
Cr Douglas (Dough) Diver			
Deputy President's annual allowance	15,838	15,838	10,974
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,792	5,000	3,527
	42,360	44,568	38,231
Cr Matthew Lynch			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,156	5,000	3,463
	26,886	28,730	27,193
Cr Melanie Gallanagh			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,121	5,000	2,753
	26,851	28,730	26,483
Cr Douglas (Ivan) Dias			
Meeting attendance fees	23,230	23,230	23,230
Other expenses	48	0	0
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,148	5,000	3,599
	25,926	28,730	27,329
Cr Linton Rumble			
Deputy President's annual allowance			4,864
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,640	5,000	5,350
	27,370	28,730	33,944
Cr Jamie Richardson			
Meeting attendance fees	23,230	23,230	16,097
Annual allowance for ICT expenses	500	500	346
Travel and accommodation expenses	4,890	5,000	3,933
	28,620	28,730	20,376
Cr Rory De Pledge			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	4,156	5,000	2,711
	27,886	28,730	26,441

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SHIRE OF ASHBURTON
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21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Peter Foster			
Meeting attendance fees	17,422	23,230	23,230
Child care expenses	122	0	27
Annual allowance for ICT expenses	375	500	500
Travel and accommodation expenses	3,000	5,000	548
	20,919	28,730	24,305
Lorraine Thomas			
Meeting attendance fees	0	0	7,007
Annual allowance for ICT expenses	0	0	151
Travel and accommodation expenses	0	0	227
	0	0	7,385
	326,109	345,681	331,528
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	63,354	63,354	63,354
Deputy President's allowance	15,838	15,838	15,838
Meeting attendance fees	211,181	216,989	216,863
Child care expenses	122	0	27
Other expenses	48	0	0
Annual allowance for ICT expenses	4,375	4,500	4,497
Travel and accommodation expenses	31,191	45,000	30,949
	326,109	345,681	331,528

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,156,081	1,273,422
Post-employment benefits	132,921	183,307
Other long-term benefits	23,481	23,480
Termination benefits	118,605	350,879
	1,431,088	1,831,088

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2021 Actual \$	2020 Actual \$
Purchase of goods and services	251,481	69,238
Amounts outstanding from related parties:		
Trade and other receivables	2,853	0
Amounts payable to related parties:		
Trade and other payables	0	41,548

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF ASHBURTON
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23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

(a) Share of joint operations

Communities Housing (Homeswest):

Purpose

The Shire of Ashburton, in conjunction with Homeswest, is providing rental accommodation for senior citizens who are eligible.

Address

46 Second Avenue, Onslow 6710 (Carinya Units 1 - 5)

Number and Type of Dwellings:

5 Dwellings - Freehold
 Certificate of Title Volume 3042 Folio 6
 Drawing No. 190235

Legal Agreements:

Joint Venture Agreement dated 2 August 1994, for fifty years from this date.

Equity

	2021 \$	2021 %
Department of Housing	364,964	79.18%
Shire of Ashburton	95,966	20.82%

Non-Current assets

	2021	2020
Land and Buildings	460,930	460,930
Less: accumulated depreciation	(35,779)	0
	425,151	460,930

Statement of Comprehensive income

Other revenue	12,775	14,679
Other expenditure	(24,741)	(32,027)
Net result for the period	(11,966)	(17,348)

Total comprehensive income for the period

	(11,966)	(17,348)
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SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

24. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination. Ongoing costs are met by landing fees charged. Annual surpluses, as determined by Council, are transferred to a cash backed reserve account to finance future upgrades and modifications to the facility.

(a) Operating Statement	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating Income			
Landing Fees	509,282	405,000	412,375
Grant and Contribution	1,818	0	0
Passenger Tax	1,016,726	1,149,200	890,311
Parking Revenue	131	2,500	1,880
Property Rental	126,676	144,338	105,924
Security Screening Charges	457,012	552,500	406,209
Sundry Income	115,859	65,500	7,282
	<u>2,227,504</u>	<u>2,319,038</u>	<u>1,823,981</u>
Operating Expenditure			
Employee Expenses	(377,547)	(295,750)	(246,674)
Operational Expenses	(1,329,770)	(1,454,100)	(1,166,965)
Grounds & Strip Maintenance	(304,804)	(648,000)	(162,146)
Marketing	(9,195)	(62,000)	(2,407)
Other Sundry Expenses	(117,573)	(101,000)	(11,008)
Administration Overheads	(190,395)	(190,000)	(249,399)
Depreciation	(1,174,414)	(1,035,000)	(957,710)
	<u>(3,503,698)</u>	<u>(3,785,850)</u>	<u>(2,796,309)</u>
Operating Result	<u>(1,276,194)</u>	<u>(1,466,812)</u>	<u>(972,328)</u>
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Transfer From Cash Reserve	2,042,989	5,816,464	280,172
Contributions	0	0	0
Government Grants	392,652	0	0
	<u>2,435,641</u>	<u>5,816,464</u>	<u>280,172</u>
Capital Expenditure			
Transfer to Cash Reserve			(458,173)
Infrastructure	(1,331,636)	(4,436,219)	(152,255)
Buildings	(14,925)	(64,683)	(36,364)
Plant	(491,252)	(605,000)	(30,560)
	<u>(1,837,813)</u>	<u>(5,105,902)</u>	<u>(677,352)</u>
Total Net Trading Undertaking	<u>(678,366)</u>	<u>(756,250)</u>	<u>(1,369,508)</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

25. RATING INFORMATION

(a) Rates

RATE TYPE
Differential general rate / general rate

	2020/21 Actual Rateable Value	2020/21 Actual Rate Revenue	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Actual Total Revenue	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
Gross rental valuations									
Residential / Community	2,596	43,808,596	4,206,440	463	(5,640)	25,000	24,675	4,535,388	4,498,894
Commercial / Industrial / Tourism	185	12,843,548	846,724	(16,970)	(9,991)	20,000	0	866,724	830,269
Transient Workers Accommodation	24	19,315,360	2,546,634	(42,520)	(54,627)	50,000	0	3,219,601	2,547,886
Non-Rateable	276	1,451,508	0	0	(108,968)	0	0	0	0
Unimproved valuations									
Mining / Industrial	1,033	91,189,723	33,701,077	347,946	(7,186)	(100,000)	10,000	32,585,239	28,098,072
Pastoral	0.0622	41	10,733,360	945,114	(233,022)	0	0	667,572	420,011
Tourism	0	0	0	0	0	0	0	0	58,311
Sub-Total	4,155	179,342,095	42,245,989	55,897	(186,412)	(5,000)	34,675	41,874,524	36,453,393
Minimum payment									
Gross rental valuations									
Residential / Community	1,010	971,380	188,870	0	0	0	0	188,870	188,870
Residential / Community (Lesser)	728	18,455	0	0	0	0	0	0	12,367
Commercial / Industrial / Tourism	1,263	386,215	84,588	0	0	0	0	84,588	83,325
Transient Workers Accommodation	1,263	20	2,525	0	0	0	0	2,525	1,262
Unimproved valuations									
Mining / Industrial	1,263	430,965	530,250	0	0	0	0	564,338	579,488
Pastoral	1,263	61,343	10,100	0	0	0	0	10,100	10,100
Sub-Total	684	1,868,378	816,333	0	0	0	0	850,421	875,412
Discounts/concessions (Note 25(c))	4,839	181,210,473	43,062,322	55,897	(186,412)	(5,000)	34,675	42,724,945	37,328,805
Total amount raised from general rate								(586,945)	(288,941)
Ex-gratia rates								42,138,000	37,039,864
Rates Written Off								0	14,639
Totals								42,138,000	37,053,984

SIGNIFICANT ACCOUNTING POLICIES

Rates
Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2020/21 Actual		2020/21 Actual		2020/21 Budget		2020/21 Budget		2020/21 Budget		2019/20 Actual	
		Revenue Raised	Actual Applied to Costs	Actual Charges Set Aside to Reserve	Revenue	Applied to Costs	Charges	Set Aside to Reserve	Revenue	Applied to Costs	Charges	Set Aside to Reserve	Total Revenue
Residential - Full Overhead	433	45,689	45,689	0	0	46,991	0	46,991	0	0	0	46,555	46,555
Residential - Full Overhead Pensioner	217	1,302	1,302	0	0	0	0	0	0	0	0	1,302	1,302
Residential - Consumer Mains Underground	210	7,393	7,393	0	0	7,393	0	7,393	0	0	0	8,051	8,051
Residential - Transformer / Vacant Connection	118	1,901	1,901	0	0	1,901	0	1,901	0	0	0	1,901	1,901
Residential - Base Rate	83	2,105	2,105	0	0	2,301	0	2,301	0	0	0	2,839	2,839
Commercial Mixed Use - Full Overhead	1,484	11,132	11,132	0	0	17,124	0	17,124	0	0	0	7,421	7,421
Commercial - Consumer Mains Underground Pensioner	742	0	0	0	0	7,262	0	7,262	0	0	0	3,711	3,711
Commercial Mixed Use - Consumer Mains Underground	1,261	5,986	5,986	0	0	0	0	0	0	0	0	5,986	5,986
Commercial Mixed Use - Transformer Vacant	118	1,418	1,418	0	0	1,536	0	1,536	0	0	0	1,536	1,536
Commercial Mixed Use - Base Rate	210	0	0	0	0	0	0	0	0	0	0	0	0
Industrial - Full Overhead	2,929	69,495	69,495	0	0	69,495	0	69,495	0	0	0	69,495	69,495
Industrial - Consumer Mains Underground	2,798	10,823	10,823	0	0	10,823	0	10,823	0	0	0	10,823	10,823
Industrial - Transformer / Vacant Connection	2,614	10,455	10,455	0	0	10,455	0	10,455	0	0	0	10,456	10,456
Industrial - Base Rate	2,509	5,018	5,018	0	0	5,019	0	5,018	0	0	0	10,035	10,035
		172,717	172,717	0	0	180,300	0	180,299	0	0	0	180,111	180,111

Nature of the Service Charge

Residential - Full Overhead

The Shire of Ashburton introduced a service charge for the 2018/19 financial year in relation to the Pilbara Underground Power Project.

The Project is for the town of Onslow to dramatically reduce the likelihood of power outages to essential services immediately following adverse weather events. The project is a partnership between the State Government's Royalties for Regions initiative and Local Government. Due to the support of the Royalties for Regions program the project only requires a local 25% contribution to the overall cost of the project. Landowners contribution will be 10% or approximately \$1,000,000. This is funded by a low interest loan budgeted for in the 2019/20 financial year. Landowners will then pay their portion over four years via this service charge.

The funding model for landowners has been developed based on the type of existing connection to it. A property with 'full overhead power including the connection to the meter box will be charged slightly ' more than a property that already has underground power from the street 'to the house'.

There is no intention to set aside funds to a Reserve account as the full amount will be applied in the 2019/20 financial year. Should the service 'charge funds not be applied in the 2019/20 financial year unspent amounts will be set aside in a Reserve account specifically for the purpose'.

The service charge will be levied in addition to the annual rates charges and an instalment option will apply as per rates instalment dates.

Reasons for the Charge

Area/Properties Charge Imposed

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

25. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs
Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Reasons for the Waiver or Concession	
Dog and Cat registration fees (Statutory)	Concession	50.00%		0	600	623		
Refuse Collection Charge	Concession	50.00%		0	16,500	14,114		
Swimming Pools	Concession	40.00%		0	1,450	393		
GRV Residential/Community	Concession	30.00%		277,542	322,720	288,941		
UV Pastoral	Concession	37.50%		245,675	245,675	0		
				523,217	586,945	304,071		
Total discounts/concessions (Note 25(a))							304,071	
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession					
Dog and Cat registration fees (Statutory)	Eligible Pensioners							
Refuse Collection Charge	Community Groups as defined in Policy REC05							
Swimming Pools	Swimming Club members							
GRV Residential/Community	Residential ratepayers with 3 properties or less will be eligible for a 30% concession, to a maximum reduction down to Minimum Rate.			To ameliorate the effect of significant increases in valuations and financial hardship caused by COVID-19 pandemic				
UV Pastoral	Pastoral leaseholders will be eligible for a 37.5% concession, with a maximum reduction down to Minimum Rate.			To ameliorate the effect of significant increases in valuations and the added hardship caused by COVID-19				

SHIRE OF ASHBURTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	4/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	4/09/2020	0.00	0.00%	8.00%
Second instalment	22/01/2021	15.00	5.50%	8.00%
Option Three				
First instalment	4/09/2020	0.00	0.00%	8.00%
Second instalment	6/11/2020	15.00	5.50%	8.00%
Third instalment	22/01/2021	15.00	5.50%	8.00%
Fourth instalment	9/04/2021	15.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	54,724	80,000	146,913
Interest on instalment plan	16,541	10,000	15,059
Charges on instalment plan	6,285	6,285	8,386
Interest on ESL	1,492	3,000	3,822
Interest on Sundry Debtors	5,770	5,000	12,734
	84,812	104,285	186,914

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2019/20
	(30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals		
10(a)	(69,936)	(29,000)	(58,823)
	Less: Movement in liabilities associated with restricted cash		
	0	7,361	0
	Movement in employee benefit provisions (non-current)		
	(44,925)	0	(30,045)
	Movement in other provisions (non-current)		
	115,915	0	112,802
	Movement of inventory (non-current)		
	(54,947)	0	(748,277)
	Add: Loss on disposal of assets		
10(a)	287,203	201,000	504,371
	Add: Depreciation on non-current assets		
10(b)	14,312,655	12,020,137	11,929,071
	Non cash amounts excluded from operating activities		
	14,545,965	12,199,498	11,709,099
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserves - cash backed		
4	(57,957,775)	(39,145,174)	(55,970,608)
	Movement in contract liability held in reserves		
	4,375,967	0	106,370
	Less: Current assets not expected to be received at end of year		
	- Land held for resale		
6	0	(580,496)	0
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings		
14(a)	475,420	800,000	779,807
	- Current portion of contract liability held in reserve		
	0	0	4,083,109
	- Prior Year Adjustments - Interest		
	8,483	0	0
	- Employee benefit provisions		
	1,508,105	1,110,046	1,703,074
	Total adjustments to net current assets		
	(51,589,800)	(37,815,624)	(49,298,248)
Net current assets used in the Rate Setting Statement			
	Total current assets		
	69,870,277	49,030,367	74,582,320
	Less: Total current liabilities		
	(16,493,975)	(11,214,743)	(21,137,227)
	Less: Total adjustments to net current assets		
	(51,589,800)	(37,815,624)	(49,298,248)
	Net current assets used in the Rate Setting Statement		
	1,786,502	0	4,146,845

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

27. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.01%	66,833,788	57,957,774	8,624,071	251,943
2020					
Cash and cash equivalents	1.33%	69,882,380	55,970,608	13,911,772	

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	668,338	698,824

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	10,853	232,833	153,773	338,090	735,549
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	5.00%	30.00%	75.00%	75.00%	
Gross carrying amount	773,277	297,602	128,728	173,044	1,372,651
Loss allowance	38,700	89,300	96,500	129,800	354,300

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	23.00%	0.13%	0.04%	47.42%	
Gross carrying amount	808,172	103,358	774,470	293,567	1,979,567
Loss allowance	185,915	135	283	139,198	325,531
30 June 2020					
Trade and other receivables					
Expected credit loss	2.50%	72.50%	40.00%	40.30%	
Gross carrying amount	1,774,811	395,390	16,628	143,824	2,330,653
Loss allowance	44,400	286,700	6,700	57,900	395,700

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	4,789,938	0	0	4,789,938	4,789,938
Borrowings	475,420	1,492,123	299,754	2,267,297	2,267,297
Contract liabilities	9,720,512	0	0	9,720,512	9,720,512
	14,985,870	1,492,123	299,754	16,777,747	16,777,747
2020					
Payables	10,304,781	0	0	10,304,781	10,304,781
Borrowings	779,807	1,835,261	432,036	3,047,104	3,047,104
Contract liabilities	8,349,565	0	0	8,349,565	8,349,565
	19,434,153	1,835,261	432,036	21,701,450	21,701,450

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

28. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There has been no material events after the reporting period which would affect the financial report of the Shire of Ashburton for the year ended 30 June 2021 or which would require additional disclosures.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. EFFECT OF PRIOR PERIOD ERROR

Unrecognised provision for Landfill closure and rehabilitation

During the year a provision for the closure of the Tom Price and Paraburdoo landfills was recognised. As recognition of this should have been at the inception of the land fill activity, the provision is being recognised as a prior period error

The error has been corrected by restating each of the effected financial statement lines items for the prior periods as follows:

2019

Statement of Financial Position (Extract)	30 June 2019	Amount of Adjustment	01 July 2019 (Restated)
	\$	\$	\$
Non-Current Assets			
Infrastructure	406,571,728	3,533,880	410,105,608
Non-Current Liabilities			
Other Provisions	0	(4,087,036)	(4,087,036)
Retained surplus	221,718,386	(553,156)	221,165,230

2020

Statement of Financial Position (Extract)	30 June 2020	Amount of Adjustment	30 June 2020 (Restated)
	\$	\$	\$
Non-Current Assets			
Infrastructure	395,445,907	3,365,600	398,811,507
Non-Current Liabilities			
Other Provisions	0	(4,199,838)	(4,199,838)
Equity			
Retained surplus	224,053,769	(834,238)	223,219,531

Statement of Comprehensive Income (Extract)	2020	Amount of Adjustment	2020 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Depreciation	(11,760,791)	(168,280)	(11,929,071)
Other Expenditure	(1,031,759)	(112,802)	(1,144,561)
<i>By program</i>			
Expenses			
Community amenities	(7,285,847)	(281,082)	(7,566,929)
Total comprehensive income for the period	431,445	(281,082)	150,363

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Unrecognised contract liability for performance obligations

During the year an assessment of performance obligations was conducted and a contract liability recognised, including revenue received in the prior year.

As recognition of this should have been made in the prior period, the contract liability is being recognised as a prior period error.

The error has been corrected by restating each of the effected financial statement lines items for the prior periods as follows:

2020

Statement of Financial Position (Extract)	2020	Amount of Adjustment	30 June 2020 (Restated)
	\$	\$	\$
Current Liability			
Other liability	4,083,109	4,266,456	8,349,565
Equity			
Retained surplus	224,053,769	(4,266,456)	219,787,313
	<hr/>	<hr/>	<hr/>
Statement of Comprehensive Income (Extract)	2020	Amount of Adjustment	2020 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Non-Operating grants, subsidies and contributions	4,564,552	(316,002)	4,248,550

Financial Reports

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The following restated financial report represent the combination of both corrections
2019

Statement of Financial Position (Extract)	2019	Amount of Adjustment	30 June 2019 (Restated)
	\$	\$	\$
Non-Current Assets			
Infrastructure	406,571,727	3,533,880	410,105,607
Non-Current Liabilities			
Other Provisions	0	(4,087,036)	(4,087,036)
Equity			
Retained surplus	221,718,386	(553,156)	221,165,230

2020

Statement of Financial Position (Extract)	2020	Amount of Adjustment	30 June 2020 (Restated)
	\$	\$	\$
Non-Current Assets			
Infrastructure	395,445,907	3,365,599	398,811,506
Non-Current Liabilities			
Other Provisions	0	(4,199,838)	(4,199,838)
Current Liability			
Other Liability	(4,083,109)	(4,266,456)	(8,349,565)
Equity			
Retained surplus	224,053,770	(5,100,695)	218,953,075

Statement of Comprehensive Income (Extract)	2020	Amount of Adjustment	30 June 2020 (Restated)
<i>By Nature or Type</i>			
Non-Operating Grants Subsidies and contributions	4,564,552	(316,002)	4,248,550
Depreciation	(11,760,791)	(168,280)	(11,929,071)
Interest Expense	(135,011)	(112,802)	(247,813)
<i>By Program</i>			
Expenditure			
Community amenities	(7,285,847)	(281,082)	(7,566,929)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Rate Setting Statement	2020	Amount of Adjustment	2020 (Restated)
	\$	\$	\$

OPERATING ACTIVITIES

Expenditure from operating activities

Community amenities	(7,376,746)	(281,082)	(7,657,828)
	<u>(7,376,746)</u>	<u>(281,082)</u>	<u>(7,657,828)</u>

Impact on Financial Ratios

	2019	2019 (Restated)
Operating Surplus Ratio	(0.04)	0.17
Asset Sustainability	0.61	0.60

	2020	2020 (Restated)
Current ratio	1.50	0.91
Asset Sustainability	1.43	1.04
Debt Service Cover ratio	20.20	20.19
Operating Surplus ratio	0.14	0.13
Own source revenue coverage ratio	0.96	0.95

Financial Reports

SHIRE OF ASHBURTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

30. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Public Open Space	236,655			236,655
	236,655	0	0	236,655

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

32. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>The provision of decision -making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer community.</p>	<p>Supervision of various by-laws, fire prevention, emergency services and animal control.</p>
<p>HEALTH</p> <p>To assess and manage risks to public health and create and maintain environments that promote good public health.</p>	<p>Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.</p>
<p>EDUCATION AND WELFARE</p> <p>To meet the needs of the community in these areas.</p>	<p>Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.</p>
<p>HOUSING</p> <p>To manage housing.</p>	<p>Maintenance of staff and rental housing.</p>
<p>COMMUNITY AMENITIES</p> <p>To provide services required but the community.</p>	<p>Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and manage efficiently infrastructure and resources which help the social well being of the community.</p>	<p>Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburadoo.</p>
<p>TRANSPORT</p> <p>To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.</p>
<p>ECONOMIC SERVICES</p> <p>To help promote the Shire and improve it's economic well-being.</p>	<p>Building control, management of tourist bureau, tourism and area promotion and standpipes.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>To provide support services for works and plant operations.</p>	<p>Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.</p>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.13	0.91	1.76
Asset consumption ratio	0.81	0.82	0.83
Asset renewal funding ratio	1.18	2.13	2.13
Asset sustainability ratio	2.40	1.04	0.60
Debt service cover ratio	22.31	20.19	10.89
Operating surplus ratio	0.10	0.13	0.17
Own source revenue coverage ratio	1.01	0.95	0.80

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Ashburton

To the Councillors of the Shire of Ashburton

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Ashburton (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Ashburton:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Restatement of comparative balances

I draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Emphasis of matter – Basis of accounting

I draw attention to Note 1 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 17A of the Local Government (Financial Management) Regulations 1996 (FM Regulations) requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibility for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicate a significant adverse trend in the financial position of the Shire:
 - (a) The Current Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last two years and the current year is below last year. The financial ratios are reported at Note 33 of the annual financial report.
- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:

Financial Reports

- (a) The Shire has insufficient controls in place to appropriately manage unauthorised and privileged access to the Shire's network and key systems.
- (b) The Shire has not fully developed its proper controls over its payroll and journals review function.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

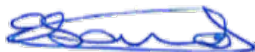
Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

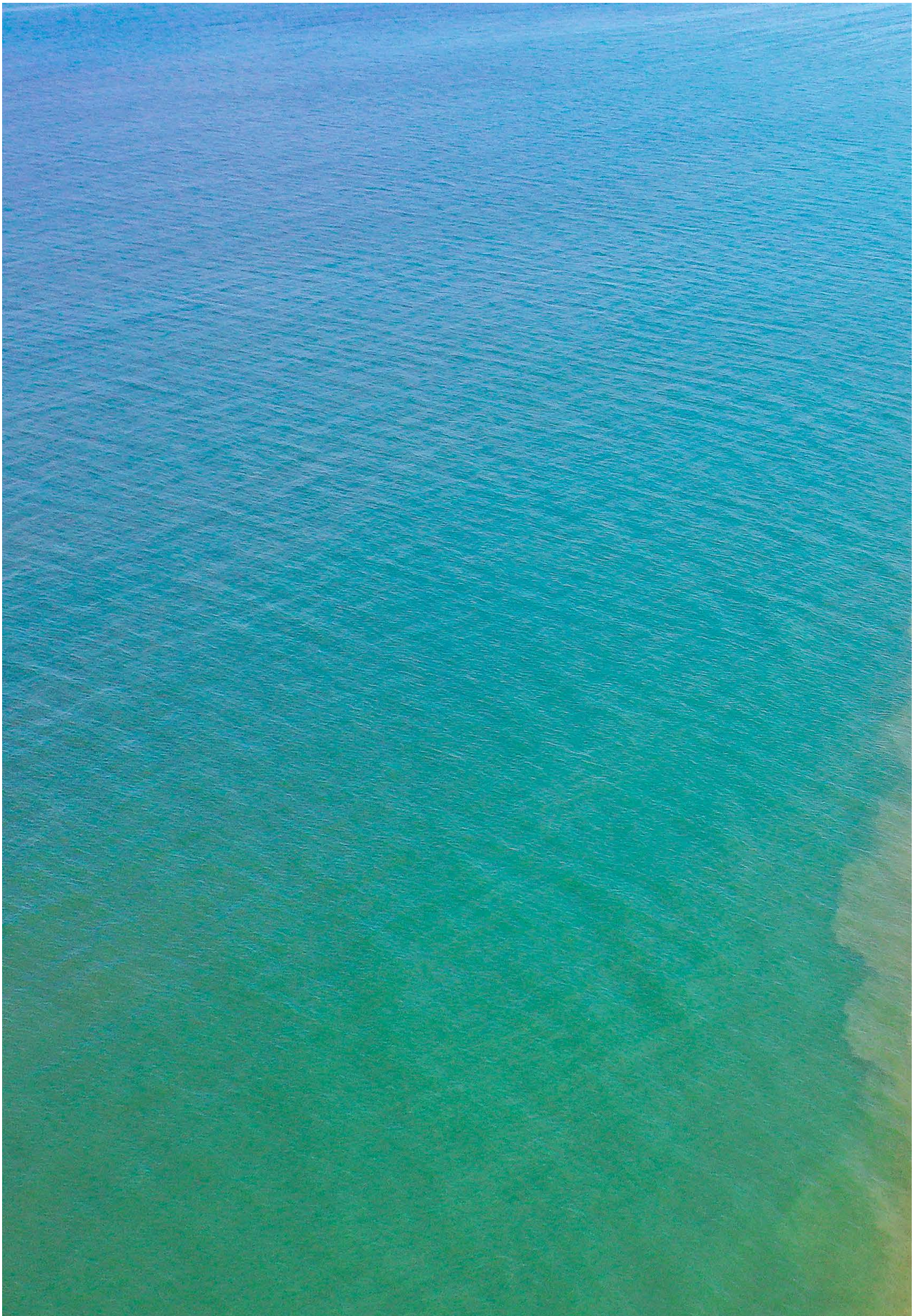
My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Ashburton for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Efthalia Samaras
Senior Director Practice Manager Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2022







shire of Ashburton
opportunity to community

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Agenda Item 6.6 - Attachment 2

2020-2021 Audit Report



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Ashburton

To the Councillors of the Shire of Ashburton

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Basis for opinion

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- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:

- (a) The Shire has insufficient controls in place to appropriately manage unauthorised and privileged access to the Shire's network and key systems.
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- (iv) All audit procedures were satisfactorily completed.
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Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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This auditor's report relates to the financial report of the Shire of Ashburton for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Efthalia Samaras
Senior Director Practice Manager Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2022



Agenda Item 6.6 - Attachment 3

2020-2021 Auditors Report



Our Ref: 8238

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

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

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Donohoe

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Matters of regulatory non-compliance and adverse trends in the financial position are reported on page three of the auditor's report.

Management Control Issues

While the result of the audit was generally satisfactory, we would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

We would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact the undersigned on 6557 7547 if you would like to discuss these matters further.

Yours sincerely

Subha Gunalan

Subha Gunalan
Director
Financial Audit
22 December 2022

Attach



Agenda Item 6.6 - Attachment 4

Auditors Report Management Letter A

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Findings identified in the current audit			
1. AASB 15 and AASB 1058 revenue recognition	✓		
2. Incorrect depreciation rates	✓		
3. Payroll Controls	✓		
4. Rehabilitation provision	✓		
5. Legal expenses accruals		✓	
6. General journal review	✓		
7. Regular review of policies and procedures		✓	
8. Review of property values input into SynergySoft		✓	
9. Fees and charges cut-off		✓	

KEY TO RATINGS

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

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

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

1. AASB 15 and AASB 1058 revenue recognition

Finding

During our final audit, we noted the Shire has incorrectly applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for various revenue transactions, namely grants from government and private corporates, worth \$4.8 million. The errors were addressed during the audit with the necessary adjustments being subsequently recognised by the Shire. The adjustments have resulted in a restatement of prior period numbers in the financial statements.

Rating: Significant**Implication**

Incorrect application of accounting standards may cause the Shire's financial statements to be materially misstated.

Recommendation

The Shire should ensure that every grant is reviewed for its compliance with the relevant accounting standards. The assessment should be properly documented and readily available for review by audit.

Management comment

A review of the shire's contract liabilities transactions, with RSM, identified a number of incorrect transactions included in the prior years audited statements that had not been correctly assessed under accounting standard AASB15 and AASB1058.

These transactions have been re-classified and resulted in re-instatements for the 2019 and 2020 financial years.

An assessment of revenue classified as a contract liability against the applicable accounting standard to be reviewed and include the recording of the evaluation of assessment.

Responsible person: Manager Finance and Administration

Completion date: Complete

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

2. Incorrect depreciation rates

Finding

During our depreciation sample testing, we noted one instance out of five selected, where management did not depreciate one sub-class worth \$2.8m. The relevant asset where the exception was noted is "Onslow airport assets". This asset was last revalued in FY18 and the resulting error in the depreciation has occurred since then.

The estimated cumulative impact across over the three years from FY19 to FY21 is an understatement of depreciation expense by \$0.9 million.

These amounts have not been adjusted in the accounts and have been listed in the closing report as 'unadjusted audit difference'.

Management have advised that they will perform a detailed review of this asset class including the assessment of useful lives of each sub-class of the asset. Once this review is completed, the required adjustment will be made to the books of account.

Rating: Significant**Implication**

Failure to depreciate assets in accordance with the Shire's depreciation policy may result in material misstatement of depreciation expenses and the carrying values of the assets recognised during the year.

Recommendation

We recommend that a full review of the full asset group to ensure compliance with accounting policy and recognise the relevant depreciation expenses in FY22.

Management comment

A review of the "Onslow Airport Assets" fair value report completed in 2018 identified annual depreciation on one of the components was omitted from the report. Since 2018 an annual depreciation rate of 1.6% has been applied. The depreciation calculation methodology has been reviewed and a rate of 1.76% calculated.

An adjustment for the under depreciation on the "Onslow Airport Assets" will be included in FY22.

Responsible person: Manager Finance and Administration

Completion date: 30 November 2022

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

3. Payroll controls

Finding

During testing of over payroll cycle, we noted the following exceptions.

- No evidence of review of payroll exception reports;
- 1 instance out of 20 sampled no secondary evidence of review of employee termination acknowledgement;
- 1 instance out of 8 sampled, where no formal email notification was sent out for employee termination;
- 1 instance out of 20 sampled staff members can approve their own timesheets;
- 5 instances out of 8 sampled, with no secondary review of new employee details correctly uploaded into payroll system;
- 1 instance out of 20 sampled, where timesheet was not available.

Rating: Significant**Implication**

There is a risk that that errors in employee details may go undetected. This also creates an opportunity to commit fraud as the Accounting Officers are also involved in processing payroll payments.

Recommendation

We recommend the Shire to:

1. Ensure that evidence of changes to the employee master file data are matched to the audit trail report as part of an independent review process;
2. Ensure that officers with a role to independently review changes in master file data do not also have the ability to modify master file data;
3. Implement a procedure to produce audit trail reports from SynergySoft, which are independently reviewed by an independent officer; and
4. Consideration be given to developing appropriate segregation of duties around payroll processes.

Management comment

A number of increase control measures have been implemented as part of the payroll review process, including the action of independent reviews of amendments to payroll Masterfile data.

Review of payroll processes and procedures to be reviewed and documented, including addressing the above matters raised.

Responsible person: Manager Finance and Administration

Completion date: 30 June 2023

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

4. Rehabilitation provision

Finding

During the year-end audit testing, we identified Tom Price and Paraburdoo waste disposal site held a class 2/3 license which requires management to recognise a provision and a corresponding asset.

Management engaged Talis an independent valuer in May 2017 to undertake a detailed financial review of all sites managed by the Shire. Management failed to recognise the provision of rehabilitation in the financial statements and only brought the Talis review to the auditors' attention in the current financial year.

A rehabilitation liability and a corresponding asset of \$4.9 million was recorded during FY21 by restating the prior year accounts. We understand that management has engaged an independent valuer to revisit the rehabilitation provision assessment with changes expected to be reflected in FY22.

**Rating: Significant
Implication**

The Shire's financial report contained material errors and a comparatives required restating.

Recommendation

The Shire should ensure that all valuations are reviewed and processed in the financial report in the financial year which they relate to.

Management comment

The waste rehabilitation provision had not been included in prior financial years, despite having a report in 2017 from an independent valuer.

A provision has now been recognized which resulted in re-instatements for the 2019 and 2020 financial years.

The adjustment for rehabilitation provision is now forming part of the end of financial year process.

Responsible person: Manager Finance and Administration
Completion date: Complete

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

5. Legal expenses accruals

Finding

During the year-end audit testing, we identified \$652k of accrued legal expenses which had not been accrued at 30 June 2021. These amounts have now been adjusted in the accounts and have been listed in the closing report under 'summary of audit adjustments'.

Rating: Moderate**Implication**

Understatement of liabilities and related expenses during the financial year.

Recommendation

The Shire should develop procedures to assist with identification and accrual of invoices received after balance date, which relate to the prior year.

Management comment

The Shire has a number of legal matters that are in progress each year, in particular in respect to Wittenoon matters. These have previously been reflected as operating expenditure in the year that the accounts have been paid.

This matter was discussed with RSM, where it was agreed to reflect ongoing and current legal matters as an accrued legal expense.

A review of legal expenses is now forming part of the end of financial year process.

Responsible person: Manager Finance and Administration

Completion date: Complete

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

6. General journal review

Finding

As part of our testing around manual journal entries during the year, we noted that in a number of instances the Finance Manager would raise journal with no subsequent review process by an independent person.

**Rating: Significant
Implication**

Without an independent review process there is an increased risk that manual journals may be posted that are erroneous or fraudulent and go undetected by management.

Recommendation

We recommend that all manual journals raised undergo independent review from a staff member different from the one who raised the journal.

Management comment

Journals prepared by the Finance Manager are now reviewed by the Financial Accountant.

Responsible person: Manager Finance and Administration
Completion date: Complete

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

7. Regular review of policies and procedures

Finding

During the review of policies and procedures, we noted that a number of policies and procedures, as noted below, were overdue for review:

- Risk Management Framework (next review July 2019)
- ADM07 Communications & Social Media Policy (next review 2020)
- ADM08 Community Engagement Policy (next review 2021)
- FIN06 Significant Accounting Policy (next review 2019)
- FIN07 investment Policy (next review 2020)
- FIN12 Purchasing Policy (next review 2020)
- ELM26 CEO Performance Review (next review 2020)
- ELM27 Legal Proceedings (next review 2020)

We understand that the Shire is in the process of reviewing the above policies.

Rating: Moderate**Implication**

Outdated policies and procedures can expose the Shire to additional risk as they may fail to comply with new laws and regulations. Further they may not address new systems or technology, which can result in inconsistent practices.

Recommendation

We recommend that the Shire review outdated policies and procedures, identifying those that require immediate action and establish a process to monitor the review.

Management Comment

A review of Council's policies has commenced and is being presented to Council in a staged approach for endorsement.

Responsible person: Manager Governance

Completion date: 31 March 2023

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE AUDIT

8. Review of property values input into SynergySoft

Finding

As part of our analytical procedures conducted for rates, we noted a variance in property rateable values between the SynergySoft and Landgate report.

We noted there was no evidence of an independent review to ensure property values received from Landgate had been entered correctly and without omission in SynergySoft. Rates are calculated, in part by referring to the property values stored in SynergySoft.

The exception noted did not have a material effect to the financial statements.

Rating: Moderate**Implication**

Failure to perform an independent review of the revised Landgate valuation reports, increases the risk of inaccuracies in both the interim rates notices and the rates revenue recognised in the financial statements. Monthly financial information used by management or Council may not be accurate which could impact Council decisions.

Recommendation

The Shire should implement an independent review system, to ensure all Landgate valuations are correctly entered into the SynergySoft. This will ensure Landgate valuation reports always reconcile with SynergySoft.

Management Comment

Staff have been working through investigating and correcting previous period property values variances. Workflow practices to be amended to include an independent reviewer and frequent balancing to documents provided by Landgate.

Responsible Person: Manager Finance and Administration

Completion Date: Complete

ATTACHMENT A

SHIRE OF ASHBURTON
PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021
FINDINGS IDENTIFIED DURING THE AUDIT

9. Fees and charges cut-off

Finding

During our testing around fees and charges cut-off procedures we identified several instances where cut-off procedures had not been followed. There were instances where fees were recognised in the 2022 financial year however related to the 2021 financial year and vice versa. These amounts have now been adjusted in the accounts and have been listed in the closing report under 'summary of audit adjustments'.

Rating: Moderate

Implication

There is a risk that revenue could be over / under stated at year end as a result of poor cut-off procedures.

Recommendation

We recommend that management formalise the review of invoices processed after year-end to ensure that all invoices related to the audited financial year are captured and accurately recognised.

Management comment

Airport landing fees income received in July for the prior year was not identified and included in accrued income.

A review of fees and charges received in July and August now forms part of the end of financial year process.

Responsible person: Manager Finance and Administration
Completion date: Complete



Agenda Item 6.6 - Attachment 5

Auditors Report Management letter B

ATTACHMENT B

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Findings identified in the current audit			
1. Network Access Management	✓		
2. SynergySoft Financial Application – Access Management		✓	
3. IT Governance – Standards, Policies & Procedures		✓	
4. Network Security Management		✓	
5. Physical and Environmental Security Management		✓	
6. Change Management		✓	
7. Password Management		✓	

KEY TO RATINGS

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

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

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****1. Network Access Management****Finding**

During our audit, we identified the following issues with access management within the Shire's network:

- The Shire does not have a formal network user access management (including generic and privileged) accounts policy or procedure in place to manage user access (i.e., new user provisioning, de-provisioning and management of generic user accounts)
- 128 out of 260 generic accounts did not have any description and identity associated with it. We could not verify if these accounts are appropriate
- 21 out of 260 generic accounts were identified as not in use and were confirmed to be no longer required
- 33 out of 475 user accounts were identified as duplicates with the same display name
- 29 out of 475 user accounts did not log into the network in the last 6 months
- 3 out of 29 privilege access accounts (21 service accounts) were identified as redundant and should have been disabled
- 3 out of 475 active user accounts belong to terminated employees. We noted that 1 of these users logged into the network after their termination date
- 1 out of 5 user new user account was created in network before appropriate approval.

Further, we identified that user access reviews are performed on ad hoc basis and evidence of reviews performed was not maintained. We could not verify if user access reviews were performed in the audit period.

Rating: Significant**Implication**

Without appropriate user access management controls in place there is an increased risk of inappropriate or unauthorised access to the Shire's IT systems and/or information. This could impact the confidentiality, integrity, and availability of information.

Recommendation

The Shire should:

- Develop, document, and implement access management policies / procedures that should include:
 - Onboarding & offboarding of users, including privileged and generic accounts
 - Privileged and generic account management
 - Deactivate inactive/dormant accounts
- Ensure new user provisions are adequately documented and appropriate management approval is received before account creation
- Perform regular privilege user access reviews to ensure appropriate access is maintained
- Perform regular user access review to ensure terminated users is removed timely and identify and remove redundant or dormant accounts.

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****Management comment:**

A recent internal audit has identified the requirement for the review and development of several plans, including Cybersecurity Framework.

Recommendations to be incorporated into the reviewed Cybersecurity Framework and will include access management principals. Operating procedures to be develop and aligned to the framework and include workflow and record keeping requirements for new, terminated and change in user accounts.

Responsible person: ICT Specialist
Completion date: 31 March 2023

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****2. SynergySoft Financial Application – Access Management****Finding**

We identified the following issues with the management of user access for the SynergySoft financial application:

- The Shire does not have a formal application user access policy / procedure in place to manage user access (i.e. provisioning, de-provisioning and management of generic user accounts)
- 1 out of 203 active user accounts belong to terminated employees
- No process is defined to maintain segregation of duties (SoD) within the SynergySoft application, including a security matrix that provides visibility of roles assigned to each user with object level access to the application
- 1 out of 5 new user account access request were not recorded. We could not ascertain if access was appropriately approved or provisioned.

Rating: Moderate**Implication**

- Without effective user access management processes in place, there is an increased risk of unauthorised access to the SynergySoft application. This could impact the confidentiality, integrity, and availability of the Shire's information.
- Without effective design and review of SoD controls, there is an increased risk of making unauthorised changes and approvals to application transactions. This could impact the integrity of the data in SynergySoft application and lead to unauthorised and fraudulent transactions.

Recommendation

The Shire should:

- Document, review, approve and implement an access management policy that should include:
 - Onboarding & offboarding of users, including privileged and generic accounts
 - Generic account management
 - User access review requirements
- Ensure new user provisions are adequately documented and appropriate management approval is received before account creation
- Regularly review user access to the SynergySoft application to ensure terminated users are disabled timely.
- Ensure SoD requirements and controls are appropriately defined and implemented for the SynergySoft application.

ATTACHMENT B

SHIRE OF ASHBURTON**PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****Management comment:**

A recent internal audit has identified the requirement for the review and development of several plans, including Cybersecurity Framework

Recommendations to be incorporated into the reviewed Cybersecurity Framework and will include access management principles for SynergySoft. Operating procedures to be developed and aligned to the framework.

Responsible person: ICT Specialist
Completion date: 31 March 2023

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****3. IT Governance - Standards, Policies & Procedures****Finding**

We identified that there are no formal policies / procedures / guidelines / governance documents defined for the following key IT functional areas or processes:

- IT Risk Management
- Business Continuity Plan
- Disaster Recovery Plan

Further, we identified that the IT Acceptable Use policy have not been reviewed in accordance with their stated scheduled review date. It was noted that the policy was last reviewed in 2016. Also, the ICT strategic framework has not been endorsed by management.

Rating: Moderate**Implication**

There is a risk that outdated IT policies, procedures and guideline documents may not support the needs of the Shire and staff may not be fulfilling management expectations. Without appropriate and defined IT governance structures and processes the Shire may not be able to:

- Effectively align IT with business strategies, increasing the risk of sub-optimal achievement in relation to business plans and initiatives
- Efficiently manage, monitor, and ensure effective outsourced IT systems requirements, functionality, and availability.

Recommendation

The Shire should:

- Develop, document, and publish policies / procedures / guidelines / governance documents as required and ensure these documents are appropriately governed
- Periodically review and endorse all Shire policies / procedures / governance documents ensuring they have a documented review frequency
- Define, document, and implement a risk management framework that outlines key risk management processes
- Design and implement the BCP and IT DRP to align with the Shire's recovery requirements (i.e., Recovery scenarios, processes, and timeframes). To help maintain the effectiveness of these plans it should be regularly reviewed and appropriately tested. The IT DRP tests should be used to confirm key IT systems and services can be recovered in accordance with the agreed recovery requirements.

Management comment

A recent internal audit has identified the requirement for the review and development of several plans, including.

- *Shire's Business Continuity Management Arrangements*
- *ICT Disaster Recovery Plan*

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT**

- *Cybersecurity Framework*

The Shire has made a commitment to review and develop the above-mentioned documents, incorporating the required standards as well as developing and documenting processes and procedures.

Responsible person: ICT Specialist, Manager Governance.

Completion date: 30 September 2023

ATTACHMENT B

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

4. Network Security Management

Finding

We identified the following issues with the management of the Shire's network security:

- There is no defined process to perform vulnerability assessments
- There is no defined process to perform security (i.e., penetration) testing.
- Firewall event logs are not regularly reviewed.

Rating: Moderate**Implication**

Without effective and up to date security management policies, processes and procedures in place, there is an increased risk that the Shire will not be able to maintain an effective and secure cyber security posture. This could lead to potential cyber breaches, downtime, loss or exposure of critical systems or information.

Recommendation

The Shire should:

- Develop, document, review and implement a security / vulnerability assessment policy / procedure which contains the requirement to periodically perform vulnerability assessments and periodic penetration (security) testing
- Define, document, and implement a process for performing periodic reviews of firewall event logs and updating firewall rules accordingly.

Management comment:

A recent internal audit has identified the requirement for the review and development of the Shire's Cybersecurity Framework and supporting operating procedures that align with the WA Government Cybersecurity Policy and the Australia Government Information Security Manual.

The framework will incorporate risk assessments, monitoring, testing, and reporting requirements, which will be included in operating procedures

Responsible person: ICT Specialist
Completion date: 28 February 2023

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****5. Physical and Environmental Security Management****Finding**

We identified the following issues with the management of the Shire's datacentre:

- The Shire does not have a documented and approved datacentre policy / procedure to outline physical and environmental requirements
- No process is defined to record or log access to the datacentre. Further, access to datacentre is not appropriately restricted. We noted that non-IT staff (finance and records staff) also have access to datacentre
- Datacentre contains potential fire hazards. It was noted that the datacentre room is used as storage for petty cash and records
- Fire alarm pull boxes are not installed
- No operator logbook is maintained to record any significant events/incidents in the Data Centre and corrective action taken by the operator.

Rating: Moderate**Implication**

Without appropriate controls in place to manage physical controls, there is an increased risk of inappropriate, unauthorised access to critical infrastructure. This could impact the confidentiality, integrity, and availability of the Shire's information.

Recommendation

The Shire should:

- Define and document a datacentre access policy / procedure which includes the requirements to periodically perform access reviews to ensure staff are only allowed access to the datacentre based on business needs
- Investigate and implement appropriate physical security measures to protect against unauthorised access and modification, such as access and operation logs
- Investigate and implement appropriate environmental measures to protect physical sites and the data centre against environmental threats and damage.
- Remove potentially flammable materials from the datacentre.
- Document and maintain a datacentre operator logbook to record any significant events/incidents in the Data Centre and corrective action taken to solve issues.

Management comment:

The physical security of key assets (including server rooms) has been identified as a finding within a recent Cybersecurity audit.

Security measures and access restrictions to be reviewed and incorporated into the Shire's Cybersecurity Framework and implemented. This will include the monitoring and reporting of approved security measures.

Responsible person: ICT Specialist
Completion date: 31 March 2023

ATTACHMENT B

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

6. Change Management

Finding

We identified that following issues with the management of changes implemented to network and financial application:

- The Shire does not have a formal defined change management process/policy/procedure to manage the changes implemented to the network or the financial application
- Changes implemented to the network and financial application are not logged and recorded
- Evidence of change approval and testing is not captured or retained.

We acknowledge that changes to the financial application are implemented by third party vendor, however the Shire does not have an oversight of changes implemented.

Rating: Moderate**Implication**

There is a risk that without formalised change control procedures, changes made to IT systems may not be adequately tested, recorded, and authorised. The availability or security of IT systems could be compromised should a change negatively impact them.

Recommendation

The Shire should consider:

- Developing, implementing, and endorsing a change management policy to ensure that changes are appropriately requested, logged, approved, and tested.
- Create a change register to track and monitor all changes made to the Shire's IT infrastructure
- Ensuring all changes are adequately documented containing:
 - Approvals
 - Implementation testing
 - Backout plans
 - Post implementation reviews.

Management comment:

The recommendations will be included in the review and development of the Shire's Cybersecurity Framework.

The framework will incorporate risk assessments, approvals, monitoring, testing, and reporting requirements, which will be included in operating procedures

Responsible person: ICT Specialist
Completion date: 31 March 2023

ATTACHMENT B

SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

7. Password Management

Finding

We identified that the Shire does not have a defined password policy. We further identified that password parameters configured in network does not align with industry best practice.

Refer table below:

Password parameter	Industry best practice	Shire's password configuration
Password History	Minimum 6 passwords	3 passwords

Rating: Moderate**Implication**

Without adequate password management protocols and procedures, there is an increased risk of unauthorised access or compromises to network and application's security. The Shire's network and applications may become susceptible to potential security breaches, such as brute force or social engineering attacks.

Recommendation

The Shire should:

- Develop, document, and publish an appropriate password policy, that aligns with industry best practice, to govern password configuration and management.
- Assess and configure appropriate password parameters within the network.

Management comment:

The shire has recently amended the password configuration to align with industry best practice of 6.

The review and development of the Shire's Cybersecurity Framework will incorporate password configuration principals and standards. Operating procedures to be reviewed and aligned to revised framework.

Responsible person: ICT Specialist
Completion date: 31 March 2023