



**SHIRE OF ASHBURTON  
AUDIT AND RISK COMMITTEE MEETING**

**AGENDA & ATTACHMENTS  
(Public Document)**


**Ashburton Hall,  
Ashburton Avenue  
Paraburdoo  
19 June 2018  
11.00 am**

**SHIRE OF ASHBURTON**  
**AUDIT AND RISK COMMITTEE MEETING**

Dear Councillor

Notice is hereby given that an Audit and Risk Committee of the Shire of Ashburton will be held on 19 June 2018 at the Ashburton Hall, Ashburton Avenue, Paraburdoo commencing at 11.00 am.

The business to be transacted is shown in the Agenda.



Rob Paull  
**CHIEF EXECUTIVE OFFICER**

**DISCLAIMER**

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

## AGENDA - AUDIT AND RISK COMMITTEE MEETING 19 JUNE 2018

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**1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at \_\_\_\_ pm.

**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 and present.

**2. ATTENDANCE**

**2.1 PRESENT**

<b>Members:</b>	Cr P Foster Cr K White Cr D Dias	Tom Price Ward (Presiding Member) Onslow Ward Paraburdoo Ward
<b>Staff:</b>	Mr R Paull Mr J Bingham Ms J Smith	Chief Executive Officer Director Corporate Services Executive Officer
<b>Guests:</b>		
<b>Members of Public:</b>	There were ____ members of the public in attendance at the commencement of the meeting.	
<b>Members of Media:</b>	There were ____ members of the media in attendance at the commencement of the meeting.	

**2.2 APOLOGIES**

**2.3 APPROVED LEAVE OF ABSENCE**

Cr M Lynch      Tom Price Ward

**3. ANNOUNCEMENT OF VISITORS**

**4. DECLARATION BY MEMBERS**

**4.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA**

Councillors Foster, White, and Dias are requested to acknowledge during the meeting that they have given due consideration to all matters contained in the Agenda.

**4.2 DECLARATIONS OF INTEREST**

**Councillors to Note**

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

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

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

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

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

### **NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)**

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

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

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
  - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

### **Declarations of Interest provided:**

Item Number/ Name	Type of Interest	Nature/Extent of Interest

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**5.1 AUDIT AND RISK COMMITTEE MEETING HELD ON 13 MARCH 2018**

**Officers Recommendation**

That the Minutes of the Audit and Risk Committee Meeting held on 13 March 2018, be confirmed as a true and accurate record.

**ATTACHMENT 5.1**

**6. TERMS OF REFERENCE**

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (audit) Regulations 1996).

## 7. AGENDA ITEMS

### 7.1 REGULATION 17 - RISK AUDIT PROGRESS REPORT - JUNE 2018

<b>FILE REFERENCE:</b>	FM14.16.17
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Procurement Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	5 June 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	13 March 2018 – Audit and Risk Committee Meeting

#### Summary

This Risk Audit and review process is to occur at least once every two calendar years. The Shire's contracted Auditors, Moore Stephens Pty Ltd (MS) conducted the latest review in late 2016 and its report contains a list of improvements/opportunities.

At the March 2018 Audit and Risk Committee meeting it was reported that a number of suggestions and opportunities had already been completed and planning had commenced and/or systems had been put in place to address the remaining.

The Committee is now informed that further items have been completed with almost all outstanding items in the final stages of progression.

#### Background

*Local Government (Audit) Regulations 1996* includes 'Local Government Operational Guideline – 9 – Audit in Local Governments'. Regulation 17 prescribes a number of matters that are to be reviewed by local government Audit Committees. These functions now include reviewing the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review, to the Council. This Risk Audit and review process is to occur at least once every two calendar years.

The latest review / audit was conducted onsite, 24 – 25 October 2016, by MS and a report was presented to the Audit and Risk Committee in December 2016. Further progress reports were presented to the committee each quarter with the most recent being March 2018.

**Comment**

The attached report from the Chief Executive Officer is referred to the Audit and Risk Committee and contains progress of action taken on the recommendations from MS in the Regulation 17 Audit for the Shire of Ashburton's consideration in the areas covered by the audit, that being:

Risk Management;  
Internal Controls; and  
Legislative Compliance.

There were no critical (i.e. legislative compliance) issues raised in the MS Regulation 17 Audit and attached is the CEO's report to the Audit & Risk Committee (which contains updated Officer Status/Progress Comments) outlining how the Shire's Governance propose to see the improvements recommended, progressed and finalised.

**ATTACHMENT 7.1**

As the attached report outlines, of the 43 improvement opportunities suggested in the report, all but 5 have been completed through new or existing actions, upon review and approval from the committee and Council. The remaining items are anticipated to be finalised in time for the September 2018 meeting.

**Consultation**

Chief Executive Officer  
Director Corporate Services  
Procurement Coordinator  
Moore Stephens Australia (Pty) Ltd

**Statutory Environment**

Regulation 17 *Local Government Audit Regulations 1996* requires the following:

1. *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:*
  - a) *risk management;*
  - b) *internal control; and*
  - c) *legislative compliance.*
2. *The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every two calendar years.*
3. *The CEO is to report to the Audit Committee the results of that review.*

**Financial Implications**

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

A suitable allocation will be made in the budget for future reviews, with the next review due late 2018.



**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 4 – Exemplary Team & Work Environment

**Risk Management**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Moderate" risk (largely due to the costs of developing/implementing new procedures, etc.) but can be managed by routine procedures and monitoring by the Director Corporate Services.

**Policy Implications**

Various policies have been amended to align with new processes.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That the Audit and Risk Committee with respect to the Review of Risk Management, Legislative Compliance and Internal Controls, Council:

1. Accept the Report (as per **ATTACHMENT 7.1**) which describes how the suggested improvements/opportunities will be implemented, including actions completed.
2. Request the Chief Executive Officer to address and use best endeavours to complete all actions identified in **ATTACHMENT 7.1** by September 2018.

## 7.2 LOCAL GOVERNMENT ROAD INVENTORY DATA

<b>FILE REFERENCE:</b>	GS05
<b>AUTHOR'S NAME AND POSITION:</b>	Kevin Hannagan Acting Director Infrastructure Services
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Local Government Grants Commission
<b>DATE REPORT WRITTEN:</b>	31 May 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

### Summary

At the March 2018 meeting the Audit and Risk Committee resolved to request the Chief Executive Officer to provide an update on the resolutions adopted. This report gives an update on progression of the resolution items.

### Background

At the 13 March 2018 Audit and Risk Committee meeting the following was resolved:

*"Committee Decision:*

*MOVED: Cr P Foster*

*SECONDED: Cr M Lynch*

*That with respect to Local Government Road Inventory Data the Audit & Risk Committee recommend to Council, that Council:*

- 1. Note this report; and*
- 2. Request an update report when the Local Government Grants Commission respond to the Shire's correspondence as outlined in this Report; and*
- 3. Request the Chief Executive Officer to provide further update to the Audit & Risk Committee when the Local Government Grants Commission responds to the Shire's correspondence as outlined in this Report; and*
- 4. Request the Chief Executive Officer to immediately review the road register and report back to the Audit and Risk Committee on 19 June 2018.*

*CARRIED 4/0*

*Crs Foster, Lynch, White and Dias voted for the motion"*

**Comment**

The following update information is provided in relation to Resolutions 2, 3 and 4 above:

Resolutions 2 & 3 – The Shire has not yet received a response from the Local Government Grants Commission (LGGC) in response to the Shire's correspondence as outlined in the March 2018 Report.

Resolution 4 - Shire staff have undertaken a comprehensive review of the Assetic database information and the Chief Executive Officer has signed the "Declaration of Road Inventory Data" and this has been provided to the Local Government Grants Commission.

**ATTACHMENT 7.2**

**Consultation**

Not Applicable

**Statutory Environment**

There are no known statutory implications for this matter.

**Financial Implications**

There are no known financial implications for this matter.

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 4 – Quality Services and Infrastructure

Objective 01 – Quality Public Infrastructure

**Risk Management**

This item has been evaluated against the Shire of Ashburton's Risk Management Framework. The perceived level of risk from the Risk Matrix is considered to be "Moderate / Likely (12)" in light of the potential reduction in grants. As the Risk Acceptance is considered to be "High", the Executive Management Team will monitor progress of this item.

**Policy Implications**

There are no known policy implications identified.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That the Audit and Risk Committee recommend to Council with respect to the Local Government Road Inventory Data, Council:

1. Notes this report; and
2. Requests an update report when the Local Government Grants Commission respond to the Shire's letter.

### 7.3 INTERIM AUDIT 2017/18

<b>FILE REFERENCE:</b>	FM09
<b>AUTHOR'S NAME AND POSITION:</b>	John Bingham Director Corporate Services
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	5 June 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

#### **Summary**

The Auditors conducted the 2017/18 Interim Audit during their visit to Tom Price in May 2018.

This report discusses the matters identified at the exit interview and also updates the Committee of recent changes made by the Office of Auditor General (OAG) in relation to the appointment of our External Auditor.

#### **Background**

The Auditors completed their fieldwork during a visit to Tom Price on 17 and 18 May 2018. An entry interview was conducted on 17 May 2018 via teleconference with Chai Wen Shien, Partner at Moore Stephens (MS).

Key Audit Risks and Focus Areas discussed during the interview included:

- Fixed Assets – Property Plant and Equipment plus Infrastructure Fair Value calculations;
- Provisions – Employee Benefits Provisions calculations using Net Present Values;
- Revenue – Grants and Rates; and
- Expenditure – Systems and procedures.

An Audit Strategy Memorandum for the Year Ending 30 June 2018 is attached.

**CONFIDENTIAL ATTACHMENT 7.3A.**

**NB: The Audit Strategy Memorandum is strictly confidential and is not to be published or made publicly available.**

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Also discussed was the role of the Auditors as specified by the *Local Government (Audit) Regulations 1996*. Amongst other things it was noted the Auditors are to give an opinion, in material respects, as to whether the internal controls of the organisation are efficient and effective.

The entry interview and subsequent exit interview are new steps for the Shire in the audit process and come off the back of the OAGs new legislative mandate to audit local governments. In essence it is OAG practice to conduct a formal entrance and exit meeting.

On 1 September 2017 Parliament amended the *Local Government Amendment (Auditing) Act 2017* and is now the authority in charge of auditing local governments. The Shire is currently in contract with MS until 30 June 2018 so they (MS) will audit the accounts for the 2017/18 financial year.

For the 2018/19 financial year however the OAG officially becomes the Shires auditor. Given the OAG is the Shire's auditor, as appointed by Parliament, approval from Council is not required re: the appointment of an auditor. At this stage the OAG has confirmed it wishes to extend Council's contract with MS for at least one more year which means they (MS) will audit the 2018/19 accounts too.

The Budget implication is Council can expect an increase of up to 100% on previous Annual Report audit fees. This expenditure will go through the normal budgeting process to provision for auditing fees. A separate report to Council is unnecessary.

### **Comment**

An exit interview was held with the Auditors on 18 May 2018 and three areas of discussion took place:

1. Internal Controls;
2. Matters Identified; and
3. Annual and Primary Returns.

As part of the field work the Shires internal controls were tested resulting in no significant deficiencies detected. Further it was mentioned the Shire is a strong performer amongst its neighbouring Shires recently visited and tested by the Auditors.

A list of matters identified was presented with one non-compliance matter detected:

1. *The Rates Notice or brochure accompanying it did not contain the reasons for the difference between the proposed differential rates advertised and those adopted by Council as required by Financial Management Regulation 56 (4) (b).*

When considering the Proposed Differential Rates for 2017/18 at the 20 June 2017 Ordinary Meeting of Council (OMC) Shire Officers recommended a 2% increase on 2016/17. A further recommendation however was later proposed and adopted at the 18 August 2017 OMC reducing the increase from 2% to 1.75%.

When the public notice was issued notifying ratepayers of the proposed rates in the dollar the 2% increase on the 16/17 rate in the dollar was used and not 1.75%. *In other words the original public notice had not been fully updated.*

## AGENDA - AUDIT AND RISK COMMITTEE MEETING 19 JUNE 2018

Where a difference exists between the adopted rate in the dollar and those set forth in the local public notice a qualification is required to be given on the Rates Notice or in the brochure that accompanies it. This was not done.

As the rates non-compliance matter relates to a *Financial Management Regulation*, it will be reported as a non-compliance matter in the audit report at year end. A copy of this report will also be sent to the Department and the Shire President. A list of the matters identified is attached.

### ATTACHMENT 7.3B

The Annual and Primary Returns for 2016/17 were also audited and in some instances found to have omitted information or used incorrect dates. A list of the omissions and incorrect dates is attached.

### ATTACHMENT 7.3C

Post exit interview the Director Corporate Services and Manager Finance reviewed the matters identified with a view to how these areas will be addressed through improving procedures and monitoring of systems.

The Auditor will be available on a phone link to enable the Committee for interview purposes to discuss the Draft Interim Management Report as attached.

### ATTACHMENT 7.3D

#### **Consultation**

Executive Management Team  
Finance Team  
Moore Stephens Australia (Pty) Ltd

#### **Statutory Environment**

*Local Government (Audit) Regulations 1996*  
*Local Government (Finance) Regulations 1996*

#### **Financial Implications**

No financial implications have been identified.

#### **Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027  
Goal 5 – Inspiring Governance  
Objective 4 – Exemplary Team & Work Environment

#### **Risk Management**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by improved procedures and monitoring by the Corporate Services Directorate.

#### **Policy Implications**

FIN 07 – Investment Policy to be amended to reflect the change in *Financial Management Regulation* 19C allowing investment in Term Deposits with a maximum of three years.

#### **Voting Requirement**

Simple Majority Required

## AGENDA - AUDIT AND RISK COMMITTEE MEETING 19 JUNE 2018

### **Officers Recommendation**

That the Audit and Risk Committee recommend to Council with respect to the Interim Audit conducted on 17 and 18 May 2018, Council:

1. Note that the Committee conducted a phone interview with the Auditor in relation to the Report for the Interim Audit and the findings of the Audit; and
2. Receive the Report for the Interim Audit.

#### 7.4 2018-22 INFORMATION AND COMMUNICATIONS TECHNOLOGY STRATEGY

<b>FILE REFERENCE:</b>	IT01
<b>AUTHOR'S NAME AND POSITION:</b>	John Bingham Director Corporate Services
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	5 June 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

##### Summary

Information and Communications Technology (ICT) is a strategic resource that underpins the key functions and decision making processes of a local government. This report introduces a strategy for the Shire describing how it can align its investment in ICT with its business objectives, while ensuring community expectations are met.

##### Background

The Integrated Planning and Reporting Framework (IPRF) sets out how local governments should plan for their future through the development of Strategic Community Plans (SCP) and Corporate Business Plans. The resources needed to implement these plans are identified and managed through Asset Management Plans, Workforce Plans and Long Term Financial Plans.

In a similar way, Information and Information Technology resources can be planned for and managed so that they support the strategic objectives and priorities of the organisation, as well as ensuring the business continuity of its day-to-day operations. ICT is also an important foundation for the other resourcing plans.

##### Comment

The 2018-2022 ICT Strategy incorporates the following visioning statement:

*'The most effective role of ICT at the Shire of Ashburton is to enable the business to achieve operational excellence which in turn will drive customer satisfaction.'*

Due to the number of internal and external influences affecting ICT this strategy serves as an important control tool for the Shire ensuring influences and changes are captured and



managed proactively. The document therefore can be regarded as organic, enabling the organisation to meet new challenges and expectations, while ensuring an inherent link to the Shire's strategic objectives. The strategy also ensures that ICT objectives and actions are prioritised, allowing the organisation to more accurately predict future investment in ICT over the next five years.

To ensure the ICT Strategy maintains alignment with the Shire's SCP annual reviews will be conducted. These reviews will be undertaken in conjunction with any planned reviews of the SCP and CBP as required.

The 2018-22 ICT Strategy is attached.

**ATTACHMENT 7.4**

**Consultation**

Executive Management Team  
ICT Team

**Statutory Environment**

*Local Government Act 1995*

*Section 5.56. Planning for the Future*

*(1) A local government is to plan for the future of the district.*

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

**Financial Implications**

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

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 4 – Exemplary Team & Work Environment

**Risk Management**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and monitoring.

**Policy Implications**

There are no policy implications for this matter.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That the Audit and Risk Committee recommend to Council with respect to the 2018-2022 Information and Communications Technology Strategy, Council:

1. Receive the report Information and Communications Technology (**ATTACHMENT 7.4**) as an informing strategy of the Shire's Integrated Planning and Reporting Framework.

## **8. CONFIDENTIAL MATTERS**

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

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

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

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

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

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

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

***(I) a trade secret;***

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

***(III) information about the business, professional, commercial or financial affairs of a person,***

***Where the trade secret or information is held by, or is about, a person other than the local government.***

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

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

***(II) Endanger the security of the local government's property; or***

***(III) Prejudice the maintenance or enforcement of any lawful measure for protecting public safety;***

***(g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1981; and***

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

**8.1 CONFIDENTIAL ITEM - UPDATE ON WITTENOOM LITIGATION**

<b>FILE REFERENCE:</b>	LS34
<b>AUTHOR'S NAME AND POSITION:</b>	Keith Pearson Special Projects Advisor
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	6 June 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Confidential Agenda Item 8.1 – Meeting of the Audit and Risk Committee 13 March 2018

**REASON FOR CONFIDENTIALITY**

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

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

**Officers Recommendation**

That the Audit and Risk Committee receive the "*Confidential Item – Update on Wittenoom Litigation*" report and remain confidential in accordance s5.23 (2)(b) & (d) of the *Local Government Act 1995*.

**9. NEXT MEETING**

The next Audit and Risk Committee Meeting will be held on Tuesday 19 September 2018, at the Mayu Mayu Centre, Pannawonica commencing at a time to be determined.

**10. CLOSURE OF MEETING**

The Presiding Member closed the meeting at \_\_\_\_ am.



**SHIRE OF ASHBURTON  
AUDIT AND RISK COMMITTEE MEETING**

**MINUTES  
(Public Document)**

**Council Chambers, Onslow Shire  
Complex, Second Avenue, Onslow  
13 March 2018  
10.30 am**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**SHIRE OF ASHBURTON**  
**AUDIT AND RISK COMMITTEE MEETING**

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

CEO: 

Date: 13/03/2018

These minutes were confirmed by the Committee as a true and correct record of proceedings by the Audit and Risk Committee Meeting.

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

Date: 13/03/2018

**DISCLAIMER**

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

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

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## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 10.31 am.

**1.1 ACKNOWLEDGEMENT OF COUNTRY**

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

**2. ATTENDANCE****2.1 PRESENT**

<b>Members:</b>	Cr P Foster Cr K White Cr D Dias Cr M Lynch	Tom Price Ward (Presiding Member) Onslow Ward Paraburdoo Ward Tom Price Ward
<b>Staff:</b>	Mr R Paull Mr J Bingham Ms J Smith Mrs M Lewis	Chief Executive Officer Director Corporate Services Executive Officer CEO & Councillor Support Officer
<b>Guests:</b>	Cr D Diver Cr L Thomas Cr Gallanagh Cr Rumble Ms A Serer  Ms L Reddell  Mr B Hall	Tom Price Ward Tableland Ward Pannawonica Ward Paraburdoo Ward Director Strategic & Economic Development Director Development & Regulatory Services Manager Operations
<b>Members of Public:</b>	There were no members of the public in attendance at the commencement of the meeting.	
<b>Members of Media:</b>	There were no members of the media in attendance at the commencement of the meeting.	

**2.2 APOLOGIES**

There were no apologies.

**2.3 APPROVED LEAVE OF ABSENCE**

There were no Councillors on approved leave of absence.

**3. ANNOUNCEMENT OF VISITORS**

There were no visitors in attendance.

**4. DECLARATION BY MEMBERS****4.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA**

Councillors Foster, Rumble, White and Dias noted that they had given due consideration to all matters contained in the Agenda presently before the meeting.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**4.2 DECLARATIONS OF INTEREST****Councillors to Note**

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

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

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

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

**NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)**

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

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

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or



## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

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

**Declarations of Interest provided:**

Item Number/ Name	Type of Interest	Nature/Extent of Interest

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING****5.1 AUDIT AND RISK COMMITTEE MEETING HELD ON 15 DECEMBER 2017****Officers Recommendation and Committee Decision****MOVED: Cr D Dias****SECONDED: Cr K White**

**That the Minutes of the Audit and Risk Committee Meeting held on 15 December 2017, be confirmed as a true and accurate record.**

**CARRIED 4/0****Crs Foster, Lynch, White and Dias voted for the motion****6. TERMS OF REFERENCE**

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (audit) Regulations 1996).

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**7. AGENDA ITEMS****7.1 REGULATION 17 - RISK AUDIT PROGRESS REPORT MARCH 2018**

MINUTE: 12/2018

<b>FILE REFERENCE:</b>	FM14.16.17
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Procurement Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	27 February 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Agenda Item 13.3 (Minute No. 283/2017) – Ordinary Meeting of Council 15 December 2017

**Summary**

This Risk Audit and review process is to occur at least once every two calendar years. The Shire's contracted Auditors, Moore Stephens Pty Ltd (MS) conducted the latest review in late 2016 and its report contains a list of improvements/opportunities.

At the December 2017 Audit & Risk Committee meeting it was reported that a number of suggestions and opportunities had already been completed and planning had commenced and/or systems had been put in place to address the remaining.

The Committee is now informed that further items have been completed with almost all outstanding items in the final stages of progression.

**Background**

*Local Government (Audit) Regulations 1996* includes 'Local Government Operational Guideline – 9 – Audit in Local Governments'. Regulation 17 prescribes a number of matters that are to be reviewed by local government Audit Committees. These functions now include reviewing the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review, to the Council. This Risk Audit and review process is to occur at least once every two calendar years.

## MINUTES - AUDIT & RISK COMMITTEE MEETING 13 MARCH 2018

The latest review / audit was conducted onsite, 24 – 25 October 2016, by MS and a report was presented to the Audit & Risk Committee in December 2016. Further progress reports were presented to the committee in January, March, September and December 2017.

At the December 2017 Ordinary Meeting of Council, the Committee expressed its desire to progress the outstanding matters in a timelier manner along with a governance and financial health review.

Ron Back who conducted the Serpentine Jarrahdale Governance review has since been contacted to quote on a governance and financial health review for the Shire of Ashburton. The following is to be included in the brief:

- Credit Card Control
- Procurement – including tendering
- Compliance and Internal Control
- Financial Management Systems – Effectiveness and Appropriateness
- Organisational Structure
- Staff Housing/FIFO

If approved, it is estimated Ron could commence late April 2018.

### **Comment**

The attached report from the Chief Executive Officer is referred to the Audit & Risk Committee and contains progress of action taken on the recommendations from MS in the Regulation 17 Audit for the Shire of Ashburton's consideration in the areas covered by the audit, that being:

- Risk Management;
- Internal Controls; and
- Legislative Compliance.

There were no critical (i.e. legislative compliance) issues raised in the MS Regulation 17 Audit and attached is the CEO's report to the Audit & Risk Committee (which contains updated Officer Status/Progress Comments) outlining how the Shire's Governance propose to see the improvements recommended progressed and finalised.

## **ATTACHMENT 7.1**

As the attached report outlines, of the 43 improvement opportunities suggested in the report, many have been completed through new or existing actions. Of the progressing items, it is anticipated that all of these suggested improvements will be addressed and finalised by June 2018.

### **Consultation**

Chief Executive Officer  
Director Corporate Services  
Procurement Coordinator  
Moore Stephens Australia (Pty) Ltd

### **Statutory Environment**

Regulation 17 *Local Government Audit Regulations 1996* requires the following:

1. *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:*

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

- a) risk management;*
- b) internal control; and*
- c) legislative compliance.*

2. *The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every two calendar years.*
3. *The CEO is to report to the Audit Committee the results of that review.*

**Financial Implications**

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

A suitable allocation will be made in the budget for future reviews, which are to take place every two years. The next review is due later this year.

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 4 – Exemplary Team & Work Environment

**Risk Management**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Medium" risk (largely due to the costs of developing/implementing new procedures) but can be managed by routine procedures and monitoring by the Director Corporate Services.

**Policy Implications**

Various policies have and will be amended to become aligned with new processes. This will take place over the coming months via now standardised policy review process.

**Voting Requirement**

Simple Majority Required

Helen Melville entered the meeting 10.33 am.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**Officers Recommendation and Committee Decision****MOVED: Cr K White****SECONDED: Cr M Lynch**

**That with respect to Regulation – Risk Audit Progress Report March 2018, the Audit & Risk Committee recommend to Council, that Council:**

- 1. Notes the updated Chief Executive Officer's (CEO)'s Report (as per ATTACHMENT 7.1) which describes how the suggested improvements/opportunities will be implemented, including actions completed, progressing items, and those requiring further consideration along with any relevant items viewed.**
- 2. Request the CEO to review the document with a view to progress completion of the outstanding matters by June 2018.**
- 3. Request the CEO to continue to update the Audit & Risk Committee of the progress of actions taken on the recommendations from the Auditor in the Regulation 17 Audit.**

**CARRIED 4/0****Crs Foster, Lynch, White and Dias voted for the motion**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**7.2 LOCAL GOVERNMENT COMPLIANCE AUDIT RETURN FOR 2017****MINUTE:** 13/2018

<b>FILE REFERENCE:</b>	GV32
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Procurement Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	27 February 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Agenda Item 13.3 (Minute No: 122) – Ordinary Meeting of Council 14 March 2017

**Summary**

Each Local Government is to carry out a Compliance Audit annually. This Compliance Audit Return is for the period of 1 January 2017 to 31 December 2017.

The Return for the year 2017 is presented to the Audit & Risk Committee for review and approval, prior to presentation to Council for Adoption.

**Background**

The Compliance Audit Return is to assist Council in monitoring its organisational functions. Council is required to note any areas of non-compliance and endorse remedial action.

The Audit is provided by the Department of Local Government through their secure website platform named Smart Hub. The same audit is required to be completed by every WA local government. The Department considers, from a large range of issues it can audit, which ones will be specific to the year in question (i.e. each year the audit questions can change).

For 2017, there were 94 questions over 10 disciplines. This includes an additional discipline (2016 saw 87 questions over 9 disciplines) that is for the area of Integrated Planning and Reporting. The return is fully compliant.

**ATTACHMENT 7.2****Comment**

The Return is required to be presented to Council for adoption before its submission to the Department of Local Government and Communities.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**Consultation**

Chief Executive Officer  
 Director Corporate Services  
 Procurement Coordinator

**Statutory Environment**

Section 7.13(i) of the *Local Government Act 1995*  
 Regulations 13, 14 & 15 of the *Local Government (Audit) Regulations 1996*

**Financial Implications**

There are no financial implications for this matter.

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017 - 2027  
 Goal 5 – Inspiring Governance  
 Objective 3 – Council Leadership

**Risk Management**

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". The high level of risk is being driven by the risk of a compliance breach requiring an internal investigation. As a high risk matter, the Director of Corporate Services and his staff actively monitor these matters.

**Policy Implications**

There are no policy implications to this matter.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation and Committee Decision**

**MOVED: Cr D Dias**

**SECONDED: Cr K White**

**That with respect to the Local Government Compliance Audit Return For 2017 that the Audit & Risk Committee recommend to Council, that Council:**

- 1. Accept the Compliance Audit Return (ATTACHMENT 7.2) of the Council for the period 1 January 2017 to 31 December 2017; and**
- 2. Request the Chief Executive Officer to submit a certified copy of the Compliance Audit Return to the Director General of the Department of Local Government and Communities by 31 March 2018.**

**CARRIED 4/0**

**Crs Foster, Lynch, White and Dias voted for the motion**

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**7.3 LOCAL GOVERNMENT ROAD INVENTORY DATA****MINUTE:** 14/2018

<b>FILE REFERENCE:</b>	GS05
<b>AUTHOR'S NAME AND POSITION:</b>	Kevin Hannagan Acting Director Infrastructure Services
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Local Government Grants Commission
<b>DATE REPORT WRITTEN:</b>	25 February 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

**Summary**

For the Audit Committee to be advised of a reduction in the Shires, Local Government Grants Commission, General Purpose grant of approximately \$500,000 p.a. and the Road grant of \$75,000 p.a. from the Financial Year End 2018/19.

**Background**

The WA Local Government Grants Commission (LGGC) is a statutory body established under the Local Government Grants Act 1978. Its principle function is the making of recommendations to the Minister for Local Government on the allocations of financial assistance grants among 138 local governments in Western Australia. The grants are the State's entitlement for financial assistance from the Commonwealth Government.

The funding provided to local governments is allocated on the basis of horizontal equalisation to ensure that each local government in the State is able to function at a standard not lower than the average standard of other local governments. All local governments are entitled to receive at least the minimum grant. That minimum grant cannot be less than 30 per cent of what the local government would receive if all grants were allocated on a per capita basis.

There are two grant components:

General Purpose

The balanced budget approach has been used to calculate General Purpose Grants since 1994.



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The grants commission calculates the equalisation requirement of each local government by assessing the revenue raising capacity and expenditure needed of each local government. Five categories (called standards) have been used to calculate revenue raising ability and six categories have been used to establish expenditure need.

The equalisation requirement is the difference between the assessed expenditure needed and the assessed revenue raising capacity of each local government. A range of cost adjusters have been developed by the grants commission (for example: location, population dispersion and socio-economic disadvantage) and are included in the calculation of the standards to recognise the additional costs a local government faces due to its physical or demographic characteristics.

#### Local Roads

The grants commission uses an asset preservation model for local road funding. This model is used to assess the cost of maintaining a local government's road network and takes into account annual and recurrent maintenance costs and the costs of reconstruction at the end of a road's useful life.

#### **Comment**

This report focuses on the local road funding grant component (note: road data, also has an impact on the general purpose grant as road lengths are a component of 'Transport' the general purpose grant formulae).

The Shire of Ashburton keeps infrastructure related data in its 'Assetic' database system. The Assetic system is a sophisticated system designed to enable prediction modelling and optimisation outcomes to asset custodians to facilitate superior decision making. By applying advanced analytics to dynamic life-cycle and maintenance data, Assetic enables visualisation of strategy and service level scenarios to manage and maintain assets, improve service levels and reduce capital and maintenance spending. This system is in progress to be fully implemented.

To be eligible for local road funding, local governments must ensure road inventory data submitted to the Grants Commission via Main Roads WA's 'IRIS' portal system only includes roads for which the Shire has accepted responsibility for care, control and maintenance.

The Shires Assetic system contains data on all roads within the Shire. Roads that are not eligible for funding include mining company roads, roads in company towns, national parks and forestry roads and totalled approximately 350 kms. These roads are to be 'flagged' within the database as they do not qualify for funding. Unfortunately the Shire's database included all roads as eligible for funding. Shire staff contacted the LGGC in 2016 and advised them that the Shire had been checking its databases and had inadvertently received funding for such roads. The LGGC in 2016/17 Financial Year End calculated the Shires road grant excluding these roads. This resulted in a reduction in the Roads Grant of approximately \$150,000 p.a.

The Shire has now received a letter from the LGGC on this matter. The Commission has now advised that the Shires General Purpose grant should also be reduced (approximately \$500,000 p.a.) as the length of Shire managed roads also impacts this grants 'Transport' component. The LGGC have also done a calculation going back seven years and have estimated that the Shire has received approximately \$3,000,000 in grants (general and road) that it should not have. The LGGC is considering whether to 'claw back' this amount by reducing future grants and has asked the Shire to comment on this matter.

**ATTACHMENT 7.3A**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

The Shire President and Chief Executive Officer have met with the Chair of the LGGC and were advised that since writing the letter the LGGC have reviewed the Shires grant allocations further back than seven years and are now of the view that the Shire has been over funded by approximately \$10,000,000.

The Audit Committee is advised that even if the LGGC does not 'claw back' the over funding it is highly likely that the Shires General Purpose grant will be reduced by approximately \$500,000 in the 2018/19 Financial Year End.

The LGGC is now requiring each local government Chief Executive Officer to sign a "Declaration of Road Inventory Data". Infrastructure Services staff have now undertaken a comprehensive review of the Assetic database information and have identified that 'closed roads' are still flagged for funding. These roads will now be flagged as ineligible for funding. It is estimated that the Shires Road Funding Grant may be reduced by up to \$75,000 in the 2018/19 Financial Year End.

**ATTACHMENT 7.3B**

The LGGC road data is also used by main Roads WA for the calculation of the Shires' Regional Roads Group grant, this grant may also be reduced but the full impact is unknown at this time. Additionally the LGGC data has a flow on effect to the calculation of the Federal Government's Roads to Recovery grant, this grant may also be reduced but the full impact is unknown at this time.

Attached is a copy of the Shire President's response to the LGGC letter.

**ATTACHMENT 7.3C****Consultation**

Chief Executive Officer  
Director – Corporate Services  
Chair, Local Government Grants Commission  
Roads Consultant, Local Government Grants Commission

**Statutory Environment**

*Local Government (Financial Assistance) Act 1995 – Commonwealth*  
*Local Government Grants Act 1978 – Section 12*

**Financial Implications**

Likely reduction in the Shires Financial Assistance Grants, General Purpose grant of \$500,000 p.a. and Road grant of \$75,000 p.a. commencing the 2018/19 Financial Year End.

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027  
Goal 4 – Quality Services and Infrastructure  
Objective 01 – Quality Public Infrastructure

**Risk Management**

This item has been evaluated against the Shire of Ashburton's Risk Management Framework. The perceived level of risk from the Risk Matrix is considered to be "Moderate / Likely (12)" in light of the potential reduction in grants. As the Risk Acceptance is considered to be "High", the Executive Management Team will monitor progress of this item.

**Policy Implications**

There were no policy implications identified.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That with respect to Local Government Road Inventory Data the Audit & Risk Committee recommend to Council, that Council:

1. Note this report; and
2. Request an update report when the Local Government Grants Commission respond to the Shire's correspondence as outlined in this Report; and
3. Request the Chief Executive Officer to provide further update to the Audit & Risk Committee when the Local Government Grants Commission responds to the Shire's correspondence as outlined in this Report; and

**Committee Decision****MOVED: Cr P Foster****SECONDED: Cr M Lynch**

**That with respect to Local Government Road Inventory Data the Audit & Risk Committee recommend to Council, that Council:**

1. **Note this report; and**
2. **Request an update report when the Local Government Grants Commission respond to the Shire's correspondence as outlined in this Report; and**
3. **Request the Chief Executive Officer to provide further update to the Audit & Risk Committee when the Local Government Grants Commission responds to the Shire's correspondence as outlined in this Report; and**
4. **Request the Chief Executive Officer to immediately review the road register and report back to the Audit and Risk Committee on 19 June 2018.**

**CARRIED 4/0****Crs Foster, Lynch, White and Dias voted for the motion****Reason for change of recommendation**

To provide Councillors an update on the Road Register.

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**7.4 ANNUAL LEAVE AND LONG SERVICE LEAVE LIABILITY OF SHIRE STAFF****MINUTE:** 16/2018

<b>FILE REFERENCE:</b>	PE03
<b>AUTHOR'S NAME AND POSITION:</b>	Rachel Cassidy Organisational Development Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	28 February 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

**Summary**

The purpose of this report is to provide the Audit and Risk Committee with information relating to Annual Leave and Long Service Leave Accruals of Shire staff.

**Background**Annual Leave

Every Shire of Ashburton (SoA) employee is entitled to six weeks of annual leave per year. This represents ~11.5% of the employee's annual ordinary-hours pay, but only constitutes a real liability where the full amount of leave is not taken each year, and is not otherwise budgeted for (i.e. is either carried over as a balance from one year to the next or cashed out – effectively becoming the same as unbudgeted additional hours). Longer periods of leave may potentially require a relief worker (i.e. resulting in further additional cost)

In 2016/17 financial year, SoA paid a total of 31,876.55 hours of Annual Leave at a value of \$1,256,405.45. These figures include leave taken, cashed out and paid out on termination. The SoA Annual Leave Liability as at 30 June 2017 was \$904,876.00 (including on costs).

Section 10.3.3 of the *Shire of Ashburton Enterprise Agreement 2017* provides for the Shire to request an employee with leave accruals in excess of 320 hours to reduce their Annual Leave balance giving notice.

As at 30 June 2017, 6 SoA employees, had an annual leave liability in excess of 320 hours.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

As at 30 January 2018, 12 employees had an Annual Leave balance in excess of 320 hours. Of these employees, 11 have a plan in place to manage their excess leave.

#### Long Service Leave

Under the *Local Government (Long Service Leave) Regulations*, an employee is entitled to 13 calendar weeks' paid time off for every 10 years worked. When an employee with seven or more years of continuous service in (WA) Local Government service terminates, his/her balance is either paid out or transferred to his/her new Local Government Employer. There are otherwise no cash-out provisions, but an employee can choose to take half this amount of time off at double-pay, or double this amount of time off at half-pay.

In the 2016/17 financial year SoA paid a total of 1926.64 hours of Long Service Leave at a value of \$113,694.40 to employees. \$20,325.08 was paid to other Local Governments for transfer of entitlement of terminated employees.

The Shire of Ashburton Long Service Leave Liability as at 30 June 2017 was \$747,628.29. This figure includes calculations of index, discount and on costs as well as payments received from other Local Governments and payments owed to other Local Governments.

Liabilities as at 30 June 2017 are as follows:

- \$443,449.73 has been classified as current – being Long Service Leave for employees who have 7 or more years of service in WA Local Government.
- \$304,178.56 has been classified as non-current – being for Long Service Leave for employees who have less than 7 years of service in WA Local Government.
- Include a reference to the average % of employees who terminate (without transferring to another LG) before reaching the 7 year threshold.
- 7 employees, as at 30 June 2017, are entitled to take their Long Service Leave entitlements.

A summary of employees who have an excess of 13 weeks Long Service Leave is below;

<b>Employee Number</b>	<b>30 June 2017 Liability (weeks)</b>	<b>30 June 2017 Liability (\$)</b>
551	16.58	\$29,323.67
549	15.74	\$35,926.98
645	13.23	\$8,703.08
1284	13.82	\$18,255.46
96	16.35	\$21,350.09
98	18.92	\$34,294.28
536	15.77	\$33,586.77
<b>Total</b>	<b>110.41</b>	<b>\$181,440.33</b>

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

Long Service Leave Liability 2016 vs 2017:

Number of employees (headcount) as at 30 June 2016	Liability as at 30 June 2016	Number of employees (headcount) as at 30 June 2017	Liability as at 30 June 2017
192	\$685,586.41*	188	\$732,573.52*

\*Values include current and non-current liabilities. A 2.4% pay rise was granted to staff effective 01 July 2016.

### Comment

It is considered that both the annual leave and long service leave accrual figures presented above are manageable and therefore do not currently present a high level of risk to the Shire of Ashburton.

In a bid to achieve ongoing improvement, Shire staff will continue to review existing directives and procedures related to leave management to ensure better practice principles are integrated where possible.

It is noted that *Regulation 8 (2) of the Local Government (Long Service Leave) Regulations* states:

*“(2) Where the commencement of long service leave under regulation 6 has been postponed to meet the convenience of the worker beyond the period of 6 months mentioned in regulation 7(1)(b) the rate of payment for or in lieu of that leave shall be the rate applicable to him for ordinary time (excluding all allowances) at the end of that period of 6 months unless otherwise agreed in writing between the employer and the worker.”*

In this regard and as an incentive to reduce the Long Service Leave liability, Council should be asked to agree to Long Service Leave entitlements being renumerated at current pay rates until 31 December 2018. Any extension of this period would be referred back to Council.

### Consultation

Chief Executive Officer

Directors

Manager Organisational Development

### Statutory Environment

*Local Government Act 1995 s. 5.48*

*Local Government (Long Service Leave) Regulations*

*Shire of Ashburton Enterprise Agreement 2017*

### Financial Implications

Due to the basis of this report providing a summary of leave accumulations as at 30 June 2017, accepting this report will have no associated financial implications.

### Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 1 – Effective Planning for the Future

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

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

Goal 5 – Inspiring Governance

Objective 4 – Exemplary team and work environment

Desired Outcome – Highly-functioning Shire team that effectively manages the Shire's resources to build strong communities.

### **Risk Management**

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

### **Policy Implications**

There are currently no policy implications for this matter.

### **Voting Requirement**

Simple Majority Required

### **Officers Recommendation and Committee Decision**

**MOVED: Cr D Dias**

**SECONDED: Cr K White**

**That with respect to Annual Leave and Long Service Leave Liability of Shire Staff that the Audit & Risk Committee recommend to that to Council, that Council:**

- 1. Note the report; and**
- 2. That the Shire management continue to provide Annual Leave and Long Service Leave progress reports to the Audit and Risk Committee over the next six (6) month period; and**
- 3. Support the Chief Executive Officer approving Long Service Leave entitlements being renumrated at current pay rates until 31 December 2018.**

**CARRIED 4/0**

**Crs Foster, Lynch, White and Dias voted for the motion**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**8. CONFIDENTIAL MATTERS**

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

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

- (a) a matter affecting an employee or employees;*
- (b) the personal affairs of any person;*
- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*
- (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*
- (e) a matter that if disclosed, would reveal:*
  - (I) a trade secret;*
  - (II) information that has a commercial value to a person; or*
  - (III) information about the business, professional, commercial or financial affairs of a person,*

*Where the trade secret or information is held by, or is about, a person other than the local government.*

- (f) a matter that if disclosed, could be reasonably expected to:*
  - (I) Impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*
  - (II) Endanger the security of the local government's property; or*
  - (III) Prejudice the maintenance or enforcement of any lawful measure for protecting public safety;*
- (g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1981; and*
- (h) such other matters as may be prescribed.*

**Committee Decision**

**MOVED: Cr K White**

**SECONDED: Cr D Dias**

**That Council close the meeting to the public at 10.57 am pursuant to sub section 5.23 (2) (a) and (b) of the Local Government Act 1995.**

**CARRIED 4/0**

**Crs Foster, Lynch, White and Dias voted for the motion**



## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**8.1 CONFIDENTIAL ITEM - UPDATE ON WITTENOOM LITIGATION****MINUTE:** 15/2018

<b>FILE REFERENCE:</b>	LS34
<b>AUTHOR'S NAME AND POSITION:</b>	Keith Pearson Special Projects Officer
<b>AUTHORISING OFFICER AND POSITION:</b>	Rob Paull Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	28 February 2018
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Not Applicable

Report / Attachment is Confidential as per *Local Government Act 1995, Section 5.23*.

**REASON FOR CONFIDENTIALITY**

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

- (a) *a matter affecting an employee or employees; and*
- (b) *the personal affairs of any person;*

**Officers Recommendation and Committee Decision****MOVED:** Cr K White**SECONDED:** Cr M Lynch

**That with respect to Confidential Item – Update on Wittenoom Litigation that the Audit & Risk Committee recommend to Council, that Council:**

- 1. Note the report; and**
- 2. That the Shire management continue to provide Wittenoom Litigation progress reports to the Audit & Risk Committee over the next six (6) month period.**

**CARRIED 4/0****Crs Foster, Lynch, White and Dias voted for the motion**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 13 MARCH 2018

**Committee Decision****MOVED: Cr M Lynch****SECONDED: Cr D Dias****That Council re-open the meeting to the public at 11.06 am.****CARRIED 4/0****Crs Foster, Lynch, White and Dias voted for the motion****9. NEXT MEETING**

The next Audit and Risk Committee Meeting will be held on Tuesday 19 June 2018, at the Ashburton Hall, Ashburton Avenue, Paraburdoo commencing at a time to be determined.

**10. CLOSURE OF MEETING**

The Presiding Member closed the meeting at 11.07 am.

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## CEO's Report

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### Review of Risk Management, Legislative Compliance and Internal Controls

Undertaken by Moore Stephens Australia Pty Ltd, Report Provided: 13 December 2016, Audit Date: 24-25 October 2016

This progressed report was last presented to the Audit and Risk Committee meeting ~~5-December-2017~~ 13 March 2018. Since this date, progress has been made as per below.

As at ~~13-March~~ 19 June 2018:

Suggestions/Opportunities: 43

Completed: ~~32~~38

Progressing: ~~11~~5

This progressed report will be presented to the Audit and Risk Committee meeting to be held on the ~~13-March~~19 June 2018. The intent is to report to the Committee that all the improvements/suggestions have been further reviewed and acted upon since the ~~September~~ March meeting.

## Summary of Improvements (ref 9.1)

Extracted from the Review of Risk Management, Legislative Compliance and Internal Controls Report at the Shire of Ashburton, prepared by Moore Stephens (WA) Pty Ltd, 13 December 2016.

### Key:

IS - AM – Airport Manager, SCD – Strategic & Community Development, EO-CEO – Executive Officer – Office of the CEO, CSO - CEO Councillor Support Officer, CS – Corporate Services, CSD – Corporate Services Director, CSFC – Corporate Services Finance Coordinator, CS-SC Corporate Services Support Coordinator (Tom Price), CS -LAM – Library & Administration Manager, CS – MIS – Corporate Services Manager of Information Services, DRS – Development & Regulatory Services, EMC – Emergency Management Coordinator, DSCD – Director Strategic & Community Development, CS - FM – Finance Manager, GES – Governance and Executive Services, GES – GM Manager of Governance & Corporate Strategy, IS – MSAM – Manager of Strategic Asset Management, MC&T – Manager Communications & Tourism, SCD - MCS – Manager Community Services, OD – Organisational Development, CS - PC - Procurement Coordinator, RC – Records Coordinator, S&WC – Safety & Wellbeing Coordinator, SODA - Senior Organisational Development Advisor, SCD-MCS – Strategic & Community Development Manager of Community Services

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
6.2.1 (1)	CORP 5 Risk Management Policy	Risk recording and reporting is not currently occurring as required by Risk Management Policy.	We suggest risk recording and reporting be undertaken in accordance with the Risk Management Policy.	CS-LAM OD-S&WC	<b>COMPLETED</b> – New policy created along with relevant procedures – Adopted July 2017	Completed	Costs met by the pool scheme funds
6.2.2 (2)	CORP 5 Risk Management Policy	We note the rating of consequences of risks does not consider the context in which the risk is being assessed.	We suggest the use of percentages when assessing consequences to enable the risk rating to be based on the context of the assessment being undertaken.	CS–LAM OD-S&WC	<b>COMPLETED</b> – Considered and implemented with a percentage and numerical rating system. See new Risk Management Profile and Reporting tool that forms part of the new Risk Management Framework	Completed	
6.2.3 (3)	Internal Control Policy	Currently, no policy on internal controls has been adopted by Council.	We suggest an Internal Control Policy be formulated and adopted to formalise Council’s commitment to internal controls, based on a risk management process.	GES	<del><b>PROGRESSING COMPLETED</b> – CEO currently compiling internal control Directive. This item has been reviewed by the CEO in conjunction with will form part of the Governance Health Check with, Ron Back. CORP 5 Risk Management Policy addresses the area of internal Control so no policy required as proposed.</del>	<del>June 2018</del> <u>Completed</u>	<u>Nil</u>

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
6.2.4 (4)	Legislative Compliance Policy	Currently, no policy on legislative compliance has been adopted by Council. We acknowledge a Governance Manual is available on the Shire website and covers the relevant matters, the administrative status of this document is however not clear.	We suggest a Legislative Compliance Policy be formulated and adopted to formalise Council's commitment to legislative compliance.	CS-LAM	<b>COMPLETED</b> Auditors have confirmed it is not a legislative requirement but a recommendation for "Best Practice" to ensure compliance is achieved. Governance Officer and Admin Manager have conducted extensive research, WALGA have provided essential feedback (email on request) stipulating no policy required given we have compliance systems in place, such as the automated Compliance Calendar and the CEO should also be assessed on the organisations achievement of compliance with the annual DLG Compliance Annual Report (CAR). <b>Acting AM has reviewed other Local Governments Policies in this area, can produce an example if required.</b>	Completed	Nil
6.2.5 (5)	Occupational, Health and Safety Policy	Currently, no policy on occupational safety and health has been adopted by Council. We acknowledge a Policy is contained within the Occupational Safety and Health Manual.	We suggest an Occupational Safety and Health Policy be formulated and adopted to formalise Council's commitment to occupational safety and health.	CS-LAM OD – S&WC	<b>COMPLETED</b> - EMP17 Occupational Safety & Health Management Directive – Approved EMTT 3/11/2016	Completed	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
6.2.6 (6)	FIN12 Purchasing Policy	We note the following matters in relation to the policy: Requirements where an exemption for calling tenders applies are not provided within the Policy. It is not apparent if the exemption for calling public tenders from WALGA Preferred Suppliers under paragraph 9 of the Policy requires multiple quotations as is the case for lower value purchases in accordance with paragraph 15 and 18. Paragraph 16 refers to the use of Panel Tenders for purchases over \$150,000, this is not provided for or mentioned elsewhere in the Policy. No reference to Policy FIN19 Panels of pre-qualified suppliers is made within the Policy.	We suggest the Policy be reviewed and amended to clearly detail requirements for purchases over \$150,000 which are exempt from tender requirements under Regulation 11 of the Local Government (Functions and General) Regulations 1996.	CS-PC	<b>COMPLETED</b> – Policy modifications made. EMTT Reviewed. Agenda item adopted at November Council meeting.	Completed	Nil
6.2.7 (7)	FIN12 Purchasing Policy	We note there are no requirements stated for instances where the scope of a contract is amended or extended.	We suggest the Policy be amended to provide requirements where there is an extension or variation of a contract's scope after a contract is signed.	CS-PC	<b>COMPLETED</b> – Policy modifications made. EMTT Reviewed. Agenda item adopted at November Council meeting.	Completed	Nil
6.2.8 (8)	FIN14 Tender Assessment Criteria Policy	We noted the Policy was last reviewed on 9 December 2015 and makes reference to clauses in FIN12 which have subsequently been amended.	We suggest the Policy be reviewed and amended for changes in legislation and other associated policies.	CS-PC	<b>COMPLETED</b> - Policy adopted 14 March 2017 OMC	Completed	Nil
6.2.9 (9)	FIN16 GRV Rating of Improvements on Mining Tenements and Petroleum Licence Sites Policy	We note the Policy was last reviewed by Council in 2014 and was developed in 2012 in response to a Policy of the Minister for Local Government to standardise the application of GRV rating of resource projects for a three year trial period.	We suggest the Policy be reviewed to ensure its remains relevant and appropriate.	CSD CS-FM	<b>COMPLETED</b> - Modifications approved by Council as part of the December 2016 Review.	Completed	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
6.2.10 (10)	FIN19 Panels of Pre-Qualified Suppliers Policy	We note the Policy does not contain provisions in relation to how the local government will ensure clear, consistent and regular communication between the local government and pre-qualified suppliers, as required by the regulations.	We suggest the Policy be amended to set out all required matters.	CS-PC	<b>COMPLETED</b> – Policy modifications made. EMTT Reviewed. Agenda item adopted at November Council meeting.	Completed	Nil
6.2.11 (11)	ENG09 Asset Management Policy	We note there is no requirement within the Policy to utilise risk management techniques in the management of Shire assets.	We suggest the Policy be amended to require the use of risk management techniques in the management of Shire assets.	IS-MSAM	<b>COMPLETED</b> – Policy ENG 09 has been amended to include Risk Management techniques. <del>Separate agenda item for Council</del> <u>Adopted 13 March 2018</u>	<del>March 2018</del> <u>Completed</u>	Nil
6.2.12 (12)	REC05 Community Lease and Licence Agreements of Shire Assets Policy	We note the Policy was reviewed in December 2014. The Policy details set fee levels for various organisations for both leases and licenses. However, the setting of fees and charges is required to be done annually when adopting the annual budget by an absolute majority of Council (s6.16 (3) of <i>Local Government Act 1995</i> ).	We suggest the Policy be reviewed, and levels of fees removed from the Policy.	SCD	<b>COMPLETED</b> - As fees are still relevant and are listed for and specifically referred as guide only (they do not purport to set the fees) – therefore a decision has been made to keep them for transparency	Completed	Nil
6.2.13 (13)	REC05 Community Lease and Licence Agreements of Shire Assets Policy	We note license fees do not appear to have been limited to the cost of providing the service as required by s6.17 (3) of <i>Local Government Act 1995</i> .	We suggest controls be developed to ensure license fees do not exceed the cost of issuing the license or providing the service.	SCD CS-FM	<b>COMPLETED</b> - - the licence fees referred to are not the licence fees that relate to S6.16 of the Local Government Act but licence fees permissible under the Land Administration Act as though they operated as a 'lease', therefore the concerns are not relevant or valid	Completed	NIL
7.1.1 (14)	Workforce Plan	No Workforce Plan was available.	We suggest a Workforce Plan to be developed for adoption by Council.	OD	<b>COMPLETED</b> - Organisational Development have developed a Work Force Plan, Updated as of 30 June 2017 by the OD Projects Coordinator.	Completed	WAGES

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.1.2 (15)	Strategic Asset Management Strategy	We noted the Strategy does not include and assessment of risks associated with the delivery of assets to the community.	We suggest a formal assessment of risks in relation to the delivery of asset services to the community be included in the Asset Management Strategy or Asset Management Plans (to be developed).	IS-MSAM	<b>COMPLETED</b> – Asset Management Strategy July 2017 including assessment of risks (pg. 38-41) adopted at September Council meeting.	Completed	\$100,000 Budget allocation
7.1.3 (16)	Strategic Asset Management Strategy	We note the Shire has not developed formal asset management plans.	We suggest an Asset Management Plan be developed for adoption by Council.	IS-MSAM	<b>PROGRESSING</b> – All AMP's except Roads and Waste have been reviewed by Council with <del>Footpaths to be workshopped alongside potentially Roads at the ApriOMC) &amp; Drainage completed. Drafts completed for Parks &amp; Rec., Infrastructure, Buildings and Roads.</del> Remaining Plans to be put to Council for adoption <u>upon completion, now proposed for September, at the June 2018 OMC.</u>	<del>September</del> <u>June</u> 2018	As per 7.1.2 above
7.1.4 (17)	Local Emergency Management Arrangements	We note the Local Emergency Management Arrangements have not been reviewed in accordance with the requirements of the arrangements.	We suggest the Local Emergency Management Arrangements be reviewed in accordance with each of the documents.	DRS-EMC	<b>COMPLETED</b> - EMC has reviewed documentation and are current. Reviews are to be every 5 years if significant changes are required, otherwise arrangement stands.	Completed	NIL
7.1.5 (18)	Onslow Local Emergency Management Arrangements	We note the document available on the Shire website is watermarked as 'Confidential Draft' yet is signed by the chairperson of the LEMC.	We suggest controls be developed to ensure confidential documents are not made available on the Shire website. We also suggest standard procedures be developed to accurately show the status of documents and plans.	GES-MC&T	<b>COMPLETED</b> – Website version corrected. GES to review and implement controls proposed.	Completed	NIL
7.1.6 (19)	Business Continuity Management Arrangements	We noted that a Business Continuity Management Plan has been partially developed and remains in draft.	We suggest the Business Continuity Management Plan be finalised and approved.	CS – D CS - AM	<b>COMPLETED</b> – Plan completed in November 2017 and distributed to organisation via AIMS.	Completed	Nil



Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.1.7 (20)	Record Keeping Plan	We note the Plan contains an assessment of Risks however not all identified risks have been rated in accordance with the Risk Management Policy.	We suggest when the record keeping plan is next reviewed an assessment of risks be undertaken in accordance with the Risk Management Policy.	CS-RC	<b>PROGRESSING-COMPLETED</b> Full Plan review due in 2021.State Records Office have confirmed that the only risk assessment that is required within the Shires Recordkeeping Plan (due in 2021) is a Records Emergency Management Plan - Risk Assessment. Moore Stephens confirmed no need to review until due date of 2021.	2021 – form part of next review	NIL
7.2.1 (21)	Draft Risk Management Framework	We note the framework is still in draft form and has not been finalised. The Risk Level Matrix and Assessment Criteria differs to the one contained within the Risk Management Policy.	To avoid possible misinterpretation of rated risks, we suggest the development of one context based risk level matrix and assessment criteria to be used for all risk assessments.	CS-LAM OD-S&WC	<b>COMPLETED</b> - New CORP 5 Policy and subsidiary Risk Management Framework procedures have been created and finalised. Approved by ARC and adopted by Council July 2017 OMC	Completed	NIL
7.2.2 (22)	Documented Procedures	Limited documented procedures currently exist.	Opportunities exist to improve standard operating procedures and ensure they are documented and key controls clearly identified. Once these procedures are developed and implemented, they require constant monitoring for adherence and to ensure they are effective.	CEO Directors CS OD	<b>PROGRESSING</b> – (ongoing) All staff positions are completing procedure manuals for their areas of responsibility. These manuals are constantly updated on an as-needs basis. This is monitored and managed by the relevant <u>Supervisor/Manager/Director at each Performance review to ensure currency. Update to the next ARC with the view to have a manual commenced for each position. responsible officers.</u>	<del>June</del> <u>September</u> 2018	NIL

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.2.3 (23)	Finance Department Procedures	We note the following matters in relation to the documented procedures: Key controls such as the prior authorisation of general journals, authorisation of creditor invoices for processing and payment and authorisation of credit limits for debtors are not documented within the procedures. Documented procedures for the processing of payroll are not included within the procedures.	We suggest the procedures be modified to clearly identify all key control requirements and procedures for processing and authorisation of payroll be documented.	CS-FM CS – FC OD	<b>COMPLETED</b> – A new Finance Procedure Manual has been created with the assistance of a Consultant.	Completed	\$4,398.90
7.2.4 (24)	Draft Procurement Coordinator Procedure Manual JA71	We note the Tender Register is only required to be completed as the final stage of the tender procedure.	We suggest the Tender Register be completed at each stage of the tender process, to help ensure all tenders called are recorded within the Register at all times.	CS-PC	<b>COMPLETED</b> - Procurement has an internal Tender Register containing all details from beginning to end (both on AIMS and hard copy), there is also the Public Tender Register which contains the details as per our legislative requirement.	Completed	Nil
7.2.5 (25)	EMP24 Credit Card Management Procedure	We noted the list of current credit card holders is not up to date, as required by the procedure.	We suggest the list of current credit card holders is updated.	CS-FM	<b>COMPLETED</b>	Completed	Nil
7.2.6 (26)	Checklists	Checklists of key functions are not maintained.	Creation of standard checklists may assist in evidencing key points of control.	SoA CEO - GM	<b>PROGRESSING</b> – Key checklists exist, however the <del>responsibility of further investigation and implementation will be the responsibility of the proposed Governance and Corporate Strategy Manager. The position remains vacant and will not be filled until mid-2018.</del> <u>bulk of each positions responsibilities is and will be addressed with the Position Procedure Manuals.</u>	<u>September June</u> 2018	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.2.7 (27)	Workflow diagrams	Workflow diagrams have not been compiled.	In conjunction with the development of documented procedures and checklists, development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.	CS OD SoA	<b><u>PROGRESSING-COMPLETED</u></b> – Workflow diagrams are not suitable in all areas of the organisation. Diagrams are existing in Finance, Procurement and Governance embedded within the relevant positions Procedure Manuals to ensure corporate knowledge is maintained. <del>To be developed.</del> Moore Stephens have suggested the Shire investigate Process Mapping, flow diagrams and swimming lane diagrams in the instances Checklists are not suitable. Trialling 'Lucid Chart' for Finance, Governance and Procurement Processes.	<del>June 2018</del> <b>Completed</b>	\$
7.2.8 (28)	Procedures for the raising of Landing Fees	We noted no independent procedures exist for monitoring aircraft passenger numbers in order to raise landing fees. We view the current system of relying on the airline to report the number of flights and passengers as inappropriate.	We suggest procedures and processes be developed to ensure passenger numbers are independently verified before raising the fee.	IS-AM	<b>COMPLETED</b> NOTE: Landing fees are based on the weight of the planes and are monitored by AVDATA who are an independent company engaged by the Shire. Passenger Head Tax are the fees paid by the airlines to the SoA. These are generated on a monthly basis by the airlines based on the passenger numbers. The only way to monitor/verify this process would require a SoA staff member permanently based at the airport counting passengers for each flight. This is a common practice in all airports and is an "honour system". The recommendation is noted and a procedure will be created and implemented whereby "random" passenger counts will be undertaken by SoA staff and used to verify the fees paid each month. <b>Confirmed that passenger numbers are provided as a monthly total and not on a flight by flight basis. Every flight in a reporting period would need to be counted to enable a verification. This is not practicable given costs.</b>	Completed	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.2.9 (29)	Project Specific Risk Assessments	Documented risk assessments have been undertaken for a current major project and appear appropriate. However, the risk assessment was not in accordance with the Risk Management Policy.	We suggest the assessments be undertaken in accordance with the Risk Management framework.	SoA IS SCD	<b>COMPLETED</b> –Addressed in the new Risk Management Framework/Procedures	Completed	Nil
7.3.1 (30)	Code of Conduct	Volunteers and contractors are not bound by a Code of Conduct when performing functions on behalf of the Shire.	We suggest an expansion of the scope of the Code of Conduct to include actions by volunteers and contractors. Alternatively, a separate Code of Conduct be developed for volunteers and contractors.	GES – GM	<b>COMPLETED</b> <b>PROGRESSING</b> –THG Consultant is no longer covering this area. Amendments to be made to the existing Policy ELM04 to mention Volunteers and Contractors by Governance. <u>Adopted at 23 April 2018 OMC.</u>	<del>June 2018</del> <u>Completed</u>	Nil
7.3.2 (31)	Occupational Safety and Health Manual EMP17	We note the manual contains comprehensive requirements for contractors. However, there is no requirement for contractors or volunteers to be inducted on the requirements contained in the Manual.	We suggest a requirement for the induction of volunteers and contractors be included in the Manual.	OD-S&WC CS - PC	<b>PROGRESSING</b> - Contractors' induction currently being considered by S&WB Team in consultation with stakeholders <del>(including Acting OD Manager and Procurement).</del> <u>Also see Item 7.3.4.</u>	<u>September</u> <del>June</del> 2018	Nil
7.3.3 (32)	Experienced Staff	Experienced senior staff are expected to have a sound understanding of the requirements of their roles. We noted cases where, due to external limitations, current staff have been elevated to positions for which they have limited experience and no formal qualification.	Key positions should be reserved for staff with relevant experience and qualification and where this is not possible, formal training and development plans should be mandated.	SoA	<b>COMPLETED</b> - Noted – for implementation on an “as needs” basis.	Completed	Combined with 7.1.1

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
7.3.4 (33)	Staff Training	Training needs analysis and register have not been updated. A number of licences /skills accreditations have expired.	We suggest the Training Needs Analysis and Register be updated with procedures implemented to ensure licences/skills accreditations remain current.	OD-Manager	<b>PROGRESSING</b> – ELMO has failed to produce in this area. <u>OD Manager is seeking alternatives. Acting OD Manager is in the process of drafting a request for a new software program. The outcome of this process will be put to Council for award in the second half of 2018. Following this, a risk based training needs analysis and training audit will be completed. This software package includes the provisions for staff, volunteers and contractors (addressing Item 7.3.2)</u>	<u>September June 2018</u>	Nil
7.5.1 (34)	Information Systems Plans	We noted an IT Disaster Recovery Plan and IT Security Plan are in place, but have never been tested.	We suggest the IT Disaster Recovery Plan and IT Security Plan be tested.	CS-MIS	<b>PROGRESSING COMPLETED</b> - <u>With the changes we are making with Telstra to our network, our Disaster Recovery process will change dramatically. Once the changes are complete, the process will be much less labour intensive and more automatic. The Telstra estimate for completion 6 months, so the schedule the test is set for the Christmas break.</u>  <u>The plan will be tested. Proper testing will require a complete shutdown of the Tom Price office and a cross over to the equipment at the Onslow Airport and as we are yet to have a final number for how this cutover will take, it is yet to be scheduled.</u>	<u>Completed June 2018</u>	Nil
7.5.2 (35)	IT Resources	No policy in place for the use of Shire IT equipment for private use.	We suggest a policy be created and implemented for the use of Shire IT equipment for private use.	CS-MIS OD	<b>COMPLETED</b> – EMP14 Equipment & Key Directive has been completed 21 December 2017	Completed.	\$Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
8.1.1 (36)	Risk Register	We noted risks documented within Council Meeting minutes are not maintained within a risk register.	We suggest risks documented within Council Meeting Minutes are recorded within the risk register.	GES - GM	<del>PROGRESSING COMPLETED</del> – <del>GES – GM and EO CEO to compile examples for review and implementation</del> All risks are identified and monitored within our CORP5 Risk Management Policy Risk Profile and Reporting Tool managed by Governance.	<del>March 2018</del> Completed	Nil
8.2.1 (37)	Minutes of Executive Management Group Meetings	No minutes of the Executive Management Group meetings were available for inspection.	We suggest minutes of the Executive Management Group meetings be maintained with risks, internal control and legislative compliance weaknesses identified in the minutes.	GES - EO	<b>COMPLETED</b> Minutes are documented and recorded in secure file GV27.	Completed	Nil
8.3.1 (38)	Risk Register	We reviewed a draft register and noted it is not being maintained up to date.	Risk Register to be reviewed/updated on a regular basis.	GES - GM	<b>COMPLETED</b> – Corporate Risk Register updated and to be maintained by Governance Manager	Completed	Nil
8.3.2 (39)	OSH Audit Response Register	We note the register contains 29 recommendations rated as high priority. Of these only 4 recommendations are recorded as complete. No dates are provided as to when the audit was undertaken or when the recommendations were finalised.	We suggest recommendations are dated to assist in following up on long outstanding matters.	OD-S&WC	<b>COMPLETED</b> There are 129 recommendations total, 66 in progress, 8 not started, 47 complete, 8 awaiting other action. More detail can be provided if required. It should be noted not all recommendations are practical or necessary to implement. It should also be noted of those recommendations the “in progress” can include those that have been fully implemented in high risk departments but not completed elsewhere due to competing priorities. S&WC to implement recommendations.	Completed	Nil
8.3.3 (40)	Incident Register	We note the register does not record any follow up measures to help prevent re-occurrence of incidents.	We suggest the Register records actions to be taken to help prevent re-occurrence of incidents.	OD-S&WC	<b>COMPLETED</b> The Action Register in system STEMS records all proactive and reactive actions (controls) following incidents; scheduled inspections; ad hoc observations and hazard reports etc. Auditors did not review this program.	Completed	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
8.5.1 (41)	Employee Complaints / Grievance Handling	We note there are no procedures to ensure employee complaints remain confidential, recorded and responded to appropriately.	We suggest a documented procedure be developed to ensure all employee complaints are logged and followed up to ensure they are resolved.	OD-MOD	<b>COMPLETED</b> - EMP16 Grievances, Investigations and Resolution Management Directive modified accordingly (refer to Executive Team Meeting 1/12/2016). EMP22 Discrimination, Harassment and Bullying Management Directive modified accordingly (refer to Executive Team Meeting 24/11/2016)	Completed	Nil
8.5.2 (42)	Community Complaints Handling	Whilst we note there are procedures for community complaints in relation to assets, there are no procedures to ensure general community complaints are recorded and responded to appropriately within a defined timeframe.	We suggest a documented procedure be developed to ensure all community complaints are logged and forwarded to the appropriate officer then followed up to ensure they are resolved.	CS-LAM GES CEO - GM	<b>COMPLETED</b> - New Council Policy adopted by Council 21/9/17 and implemented December 2017.	COMPLETED	NIL
8.6.1 (43)	Internal Audit	Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.	We suggest that as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required.	GES-CEO	<b>COMPLETED</b> <del>PROGRESSING</del> Suggestion noted and included in the 2017/18 Budget. CEO's intention to establish a permanent internal auditor in the 2018/2019 Financial Year.	<del>June 2018</del> <u>Completed</u>	Nil



Enquiries: 9188 4444  
Our Ref: 184 7599

9/03/2018

Chris Berry  
WA Local Government Grants Commission  
GPO Box R1250  
PERTH WA 6000

**Shire of Ashburton**  
Administration Centre  
246 Poinciana Street  
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ABN 45 503 070 070

Dear Chris,

### **Local Government – Declaration of Road Inventory Data**

As per correspondence LG17-111; E1803173 received by the Shire of Ashburton on 7 February 2018, the Shire has completed the Road Inventory Data; enclosed the Shire of Ashburton's Declarations of Road Inventory, signed by the Chief Executive Officer as required.

If you have any further questions, please do not hesitate to contact me on 08 9188 4445, or [Kevin.Hannagan@ashburton.wa.gov.au](mailto:Kevin.Hannagan@ashburton.wa.gov.au).

Yours Sincerely,

DocuSigned by:  
  
Kevin Hannagan  
3E59F2A2819A4E0

**Acting Director Infrastructure Services**





Department of  
**Local Government, Sport  
and Cultural Industries**

### WA Local Government Grants Commission

#### Local Government - Declaration of Road Inventory

*I certify that the road inventory data provided to Main Roads WA does not include private roads which are not the responsibility of this local government.*

Signed: \_\_\_\_\_

Chief Executive Officer

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Local Government: \_\_\_\_\_

*Robert Paull*  
*1/3/2018*  
*Shire of Ashburton.*

If you are unable to certify by 15 March 2018, please advise the Commission of the reasons and the steps being taken to address the situation.

**Please return the declaration or alternatively advise the Commission of the status of your inventory via email to [chris.berry@dlgsc.wa.gov.au](mailto:chris.berry@dlgsc.wa.gov.au) at the WA Local Government Grants Commission by 15 March 2018.**

**Note:** Private roads include mining company roads, roads in company towns, national park and forestry roads, and other private roads.

## MATTERS IDENTIFIED

	COMPLIANCE
1	<b>Corporate Business Plan</b>
	The Corporate Business Plan has expired and therefore was not reviewed during the 17/18 financial year as required by <b>Admin Reg 19DA(4)</b> .
2	<b>Investment Policy</b>
	The Shire's investment policy has not been amended to reflect the change in FM Reg 19C which allows LG's to investment in term deposits with <b>maximum term of 3 years</b> (currently policy has a maximum term of 12 months). <i>Note: This does not imply that the investment policy must to be amended.</i>
3	<b>Annual and Primary Returns (see attachment)</b>
(a)	Noted 5 instances where returns contained blanks (i.e. one question was left unanswered)
(b)	2. Noted 2 instances where returns contained the incorrect "return period".
c)	Noted 1 instance where the return for Cr. Dellar was not removed from the financial interests register after his departure as required by <b>section 5.88(3) of the LGA</b> .
4	<b>Rates Notice</b>
	The rates notice or brochure accompanying it did not contain the reasons for the difference between the proposed differential rates advertised and those adopted by Council as required by <b>FM Reg 56(4)(b)</b> .
5	<b>Disposal of Asset</b>
	Asset number PE430 (consideration = \$42,727) was not disposed in accordance with the requirements of <b>section 3.58 of the LGA</b> i.e. disposal should have been through public auction, public tender or after giving local public notice.
	<b>INTERNAL CONTROLS</b>
1	<b>Roads Depreciation Rates</b>
	A comprehensive review of the remaining useful lives (RUL) for roads has not been undertaken as recommended by MS in the 2016 management report.
2	<b>Credit Cards</b>
	CEO (Rob Paull) and Manager Community (Sharmayne Halliday) have not signed the credit card agreement.
3	<b>Payroll</b>
	Noted 1 instance (Kylie Pettit) where an employees' salary increased in Sept 2017 but the paper work was processed in March 2018. The employee was subsequently back paid.

## MATTERS IDENTIFIED

4	<b>Fixed Assets</b>
	Although the fixed asset reconciliations are being performed regularly, we did not see any evidence of independent review.
	<b>Reminders:</b>
1	FBT return to be lodged by 21 May (lodged by paper) or 25 June (lodged electronically)
2	Please keep a copy of the fixed asset register pre-revaluation (summary and detailed) in excel format. This assists the auditor review the asset movement note disclosures in the financial report.
3	<b>Fair Value:</b>
	(a) - Please ensure that the unit rates provided to the valuer as part of the infrastructure revaluation are based on current/recent projects.
	(b) - As part of the fair value exercise, please prepare a working paper which shows the written down value, fair value and revaluation increment/decrement for each revalued asset.
	c) - As part of the fair value exercise, please prepare a working paper which reconciles the fair values (by asset class) from the valuers report to the fixed asset register.

# ANNUAL AND PRIMARY RETURNS

Name - (Ensure all councillors and only staff listed in delegations register are included)	Type of return in register?	Return Period (for AR)/ Return Date (for PR)	Start date for Primary Return	Was Primary return lodged in time	Annual Return Lodged By 31 Aug? (\$5.76)	Does return contain blanks	Was Receipt of return Acknowledged ? (\$5.77)	MLP Ref	Comments
<b>Councillor</b>									
Matthew Lynch	A	25/10/2016 - 30/06/2017	N/A	N/A	Yes	Yes	Yes		Question 6 - Discretionary disclosure was not answered.
Douglas Diver	A	29/11/2016 - 30/06/2017	N/A	N/A	Yes	Yes	Yes		Question 6 - 'Discretionary disclosure was not answered.
Douglas Dias	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
Kerry White (Shire President)	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
Linton Rumble (Deputy Shire President)	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
Lorraine Thomas	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
Melanie Gallanagh	A	June 2016 - 30/06/2017	N/A	N/A	Yes	Yes	Yes		Question 6 - 'Discretionary disclosure was not answered. Incorrect return period. Should have been 01/07/2016 - 30/06/2017.
Peter Foster	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
<b>Managers</b>									
Anika Serer (Director - Strategic & Economic Development)	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		
Rob Paull (CEO)	P	24/03/2018	8/01/2018	Yes	N/A	Yes	Yes		Question 3 - Discretionary Trust question was not answered.
Kerry Fisher (Manager Finance)	P	26/09/2017	26/09/2017	Yes	N/A	No	Yes		
John Bingham (Director - Corporate Services)	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	Yes	Yes		Question 6 - 'Discretionary disclosure was not answered. 'Incorrect return period. Should have been from 27/03/2017 - 30/06/2017
Kevin Hannagan (Acting Director - Infrastructure Services)	P	3/03/2018	14/02/2018	Yes	N/A	No	Yes		
Lee Reddell (Director - Development and Regulatory Services)	A	01/07/2016 - 30/06/2017	N/A	N/A	Yes	No	Yes		

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Annual and Primary Returns			✓
2. Differential General Rates		✓	
3. Disposal of Asset			✓
4. Credit Cards		✓	
5. Fixed Asset Reconciliations			✓

### 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 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.

**Finding: Annual and Primary Returns**

Whilst reviewing the annual and primary returns of Councillors and Staff, we noted:

- Four annual returns and one primary return contained sections which had been left blank;
- Two annual returns were completed with incorrect return period; and
- The annual return of an ex-councillor was not removed from the register as soon as practicable.

**Rating:** Minor

**Implication:**

- Returns are subject to alteration.
- Returns are not completed correctly.
- Non-compliance with section 5.88(3) of the Local Government Act.

**Recommendation:**

- To help ensure returns submitted are not at risk of being amended and help ensure compliance with Departmental Circular 18-2005, all sections should be completed. We note it is acceptable to record N/A, Nil or No Change or to rule a clear line through a N/A section whilst leaving sections blank is not recommended practice. In addition, prior to a receipt being issued, the return forms should be checked by the Shire's staff to help ensure they are correctly completed.
- To help ensure proper compliance with Section 5.74 of the Local Government Act, primary returns must include a start date. In addition, prior to a receipt being issued, the return forms should be checked by the Shire's staff to help ensure they are correctly completed.
- To help ensure compliance with Section 5.88(3) of the Local Government Act, procedures should be implemented to ensure this requirement be correctly addressed in future.

**Management Comment:** More thorough checking of returns required to ensure compliance with Department Circular 18-2005 and statutory provisions.

**Responsible Person:** Governance Officer

**Completion Date:** 30 June 2018

**Finding: Differential General Rates**

The Council imposed final differential rates differing from those previously set forth in the local public notice and the reason for the difference was not included in the rate notice or information accompanying the rate notice as required by Financial Management Regulation 56(4)(b).

**Rating:** Moderate

**Implication:** Non-compliance with Local Government (Financial Management) Regulation 56(4)(b). As a result, this matter will be included in the audit report.

**Recommendation:** To help ensure compliance with statutory provisions, this requirement should be correctly addressed in the future.

**Management Comment:** Improved proof checking of imposed final differential rates with those disclosed in public notice.

**Responsible Person:** Finance Manager

**Completion Date:** 21 June 2018 (date of Public Notice for Differential General Rates)

**Finding: Disposal of asset**

Council disposed a motor vehicle without going through a public auction, a public tender or giving a local public notice as required by Section 3.58 of the Local Government Act.

**Rating:** Minor

**Implication:** Non-compliance with section 3.58 of the Local Government Act.

**Recommendation:** To help ensure compliance with statutory provisions, this requirement should be correctly addressed in the future.

**Management Comment:** Ensure for future disposals, the Fleet Manager is aware of requirements as set put in Section 3.58 of the Act.

**Responsible Person:** Fleet Manager

**Completion Date:** Ongoing



**Finding: Credit Cards**

During our review of the Shire's credit card procedures we noted two credit card holders have not signed a copy of the Shire's credit card policy as required.

**Rating:** Moderate

**Implication:** Higher risk of credit card not being used in accordance with the Shire's "Corporate Credit Card" policy.

**Recommendation:** To help ensure proper usage of credit cards and enhance accountability, the credit card policy should be signed and dated by the cardholders as evidence of acknowledgment of their responsibilities and legal obligations when using the credit cards.

**Management Comment:** More rigorous checking of the declaration form in relation to Credit Card Policy and Corporate Cards users thereof.

**Responsible Person:** Governance Officer

**Completion Date:** Ongoing

**Finding: Fixed Asset Reconciliations**

Our review of fixed asset reconciliations noted there was no evidence of the reconciliation being reviewed by an independent person.

**Rating:** Minor

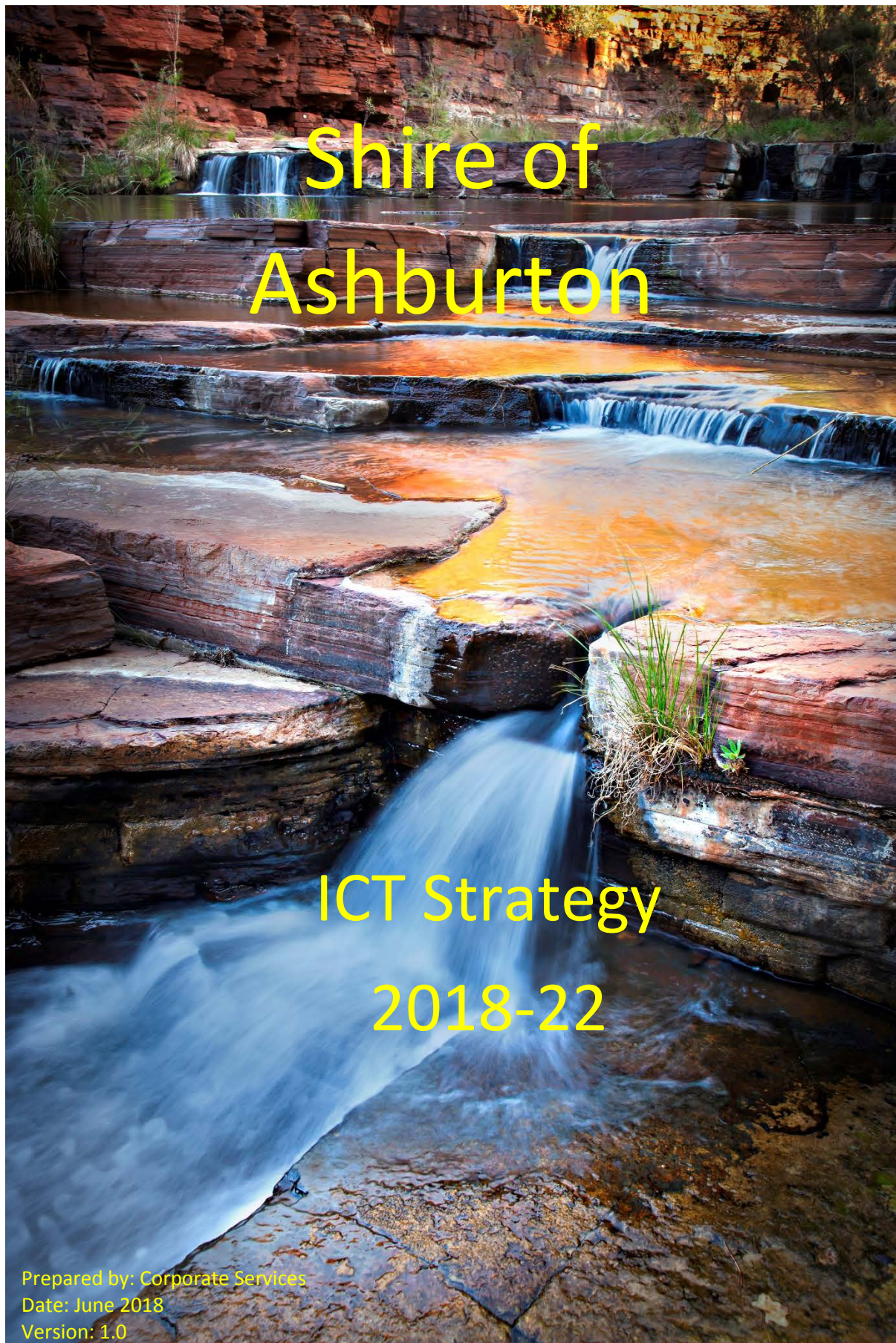
**Implication:** Fixed assets may not be completely and correctly posted into the general ledger.

**Recommendation:** All reconciliations should be reviewed by senior staff member independent of preparation and the reviewer should sign and date the reconciliation as evidence of the review.

**Management Comment:** Implement procedure to ensure independent sign off once reconciliation is completed.

**Responsible Person:** Strategic Asset Manager

**Completion Date:** Ongoing



# Shire of Ashburton

## ICT Strategy 2018-22

Prepared by: Corporate Services  
Date: June 2018  
Version: 1.0



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## Executive Summary

In 2010, the Department of Local Government and Communities introduced the Integrated Planning and Reporting Framework and Guidelines for all Local Governments in Western Australia. The framework aims to ensure the integration of community priorities into strategic planning of Councils.

As part of its commitment to this process, the Shire has developed a number of strategic and business plans to ensure that its services and operations are linked to the overarching strategic direction of Council. The Shire of Ashburton is dedicated to providing strategic planning, focussed on delivering visionary leadership and innovation, sound governance and high quality services to the community.

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

This document describes an Information & Communication Technology (ICT) Strategy for the Shire of Ashburton. Although this is an ICT strategy, it is not a technology centric strategy aimed at technical specialists. It is a strategy describing how the Shire will align its investment in ICT with its business objectives, while ensuring community expectations are met. The aim of the Strategy is to drive improved customer service by delivering ICT services that increase efficiencies while maximising effectiveness and minimising costs.

## Integrated Planning and Reporting Framework

The Western Australian Government's Integrated Planning and Reporting (IPR) Framework outlines local government planning guidelines through the requirement to develop Strategic Community Plans and Corporate Business Plans. The resources needed to implement these plans are identified and managed using informing strategy plans.

The ICT Strategic Plan is one of the informing strategies forming part of the IPR Framework and provides a roadmap for ICT operations that will facilitate short, medium and long term community priorities and aspirations.

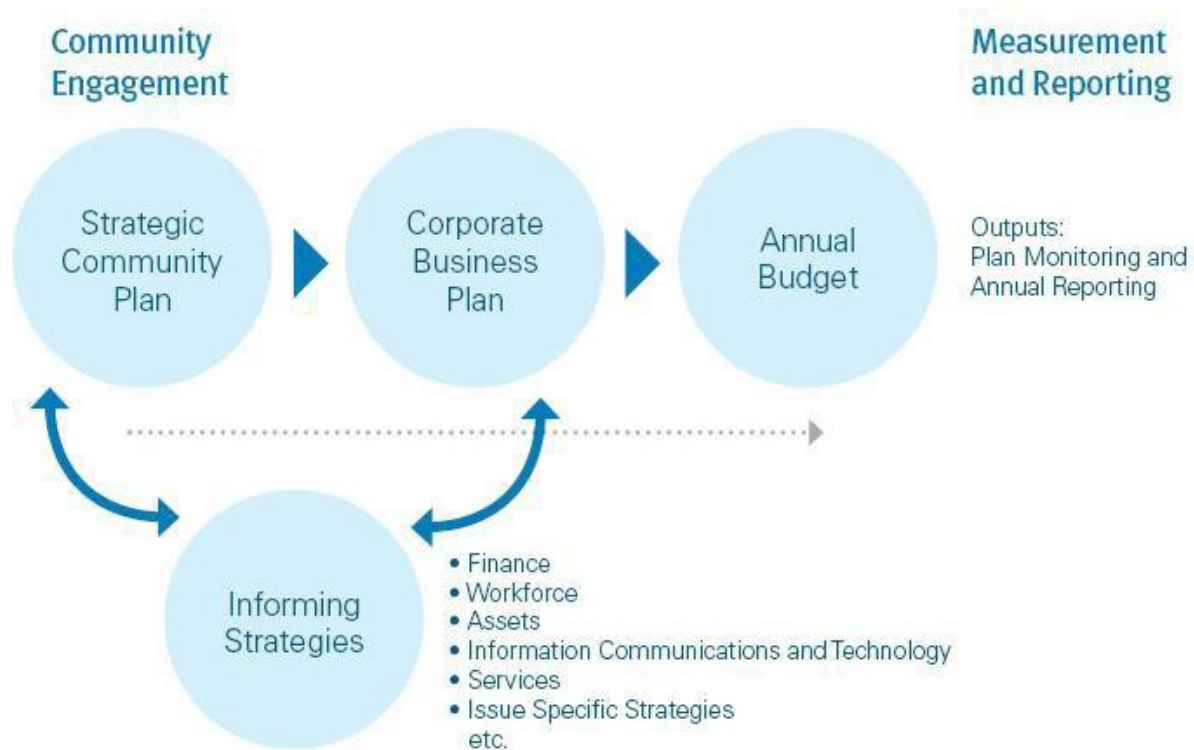


Figure 1: Elements of the Integrated Planning Framework

### ICT Strategic Framework

As part of the IPR Framework the department has developed an ICT Strategic Framework that sets out the key components that need to be considered in managing a local government's information resources. It represents the key elements, and their relationships, that might be expected in an 'ideal' environment (Department of Local Government and Communities, 2013, p 2).

The ICT Strategic Framework provides a high level structure for the effective management of information and technology, to ensure ICT systems are controlled and maintained in line with corporate objectives and emerging trends.

The Shire of Ashburton ICT Strategic Plan will reflect the recommendations stemming from the DLG's IPR Framework in relation to ICT Strategy, and will ensure that we meet the baseline requirements. The Shire will endeavour to meet the ideal standard within two years (2020).

It should be noted that the ICT Strategic Framework is not a compliance requirement. It is a resource that can be used to plan, manage and review information and technology assets.

### ICT Strategic Framework Components

The ICT Strategic Framework is made up of seven components that are considered to be a minimum baseline for managing systems, networks, devices and data to ensure that they are secure, protected appropriately from risk, adequately tested and controlled, and developed in line with corporate objectives (Department of Local Government and Communities, 2013, p 5):

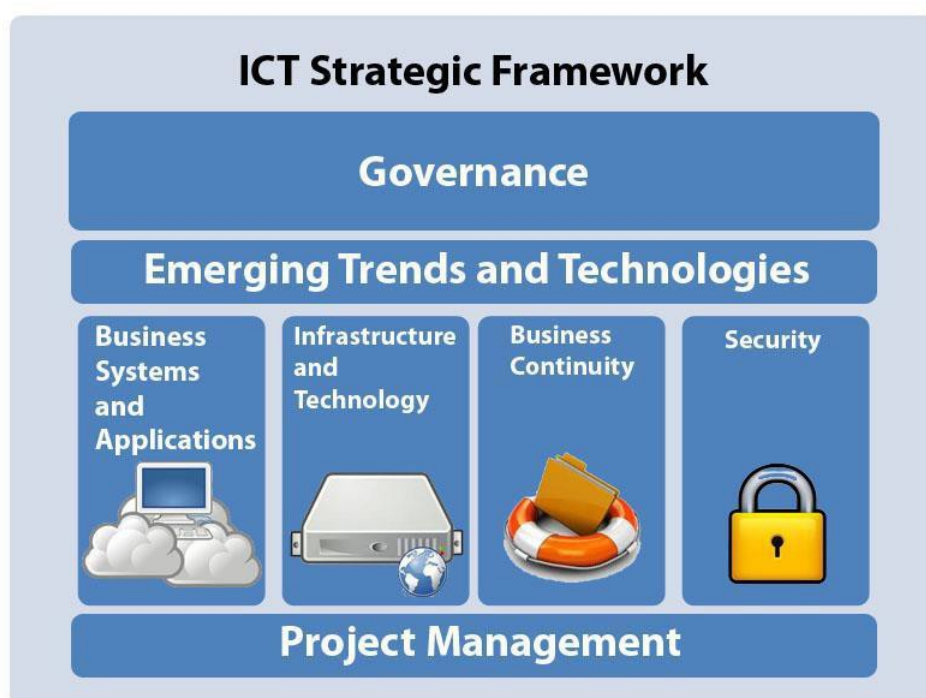


Figure 2: ICT Strategic Framework

The ICT Strategic Plan and accompanying ICT Implementation Plan and Long Term ICT Financial Plan fall under the Governance component of the framework and will provide direction for all other elements of the framework.



## Shire of Ashburton Strategic Community Plan

Five strategic priorities have been identified in the Shire's Strategic Community Plan. Each strategic priority has a set of specific supporting objectives that will be measured to determine whether we are achieving our outcomes.

### Goal One – Vibrant and Active Communities

- More engagement with community; keep people informed
- Continue to maintain good facilities
- Continue with events and activities, and promote these proactively
- Continue to support local clubs and groups

### Goal Two – Economic Prosperity

- Invest in and focus on tourism and improve tourism infrastructure, such as accommodation, foreshore, landscaping, information signs
- Improve; continue to improve facilities
- Continue to partner; strengthen relationship with businesses
- Invest in/support local business
- Communicate with community and proactively promote/communicate successes

### Goal Three – Unique Heritage and Environment

- Promote, celebrate and recognise Aboriginal culture and history
- Engage, collaborate or partner with the local Aboriginal community
- Improve communication and promotion of what Shire is doing in this area

### Goal Four – Distinctive and Well Serviced Places

- Improve public transport
- Improve roads, street lighting and pedestrian pathways
- Continue to maintain good facilities and infrastructure

### Goal Five – Inspiring Governance

- Continue to improve communication with community
- Improve on-the-ground presence in the community

These strategic aspirations form the drivers used to develop and refine ICT strategies, in conjunction with ICT technology and trends and best practice, and other external influences.

## ICT Strategy – Business Alignment

### Corporate Vision

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

### ICT Vision Statement

To underpin the delivery of services to the community and assist the Shire of Ashburton to achieve its vision, an ICT visioning statement has been developed. The vision is built on the principle that the most effective role of ICT at the Shire of Ashburton is to enable the business to achieve operational excellence which in turn will drive customer satisfaction.

## ICT Strategy – Continually Adapting

The Shire of Ashburton is affected by a number of internal and external influences which drive the adoption and continual refinement of ICT. The ICT Strategic Plan is an important control tool for the Shire, ensuring that influences and changes affecting the direction of ICT at the Shire are captured and managed proactively.

As such the ICT Strategy is an organic document, enabling the organisation to move dynamically to meet new challenges and expectations, while ensuring an inherent link to the Shire's strategic objectives.

The ICT Strategy also ensures that ICT objectives and actions are prioritised, allowing the organisation to more accurately predict future investment in ICT over the next 5 years. Once captured, these investments will be used to populate the Shire's ICT Asset Management Plan and Long Term Financial Plan.

To ensure that the ICT Strategic Plan maintains alignment with the Shire's Strategic Community Plan annual reviews will be conducted. These reviews will be undertaken in conjunction with any planned reviews of the Strategic Community Plan and Corporate Business Plan as required.

## ICT Strategy – Drivers of Change

The Shire of Ashburton is currently experiencing rapid changes due to various internal and external factors. The most prominent drivers of this change are:

### Expectations and ICT Use

Technology has changed the way people communicate and access services; as a result people expect

government services to be accessible and easy to use. This applies not only to external stakeholders but to staff who have an expectation that the technologies they use at home are available at their workplace.

Strategies need to be developed and implemented to ensure that where a clear benefit can be determined, services are delivered quickly. This delivery needs to be carefully balanced from a risk management perspective.

## **Governance**

Local governments are required to adhere to stringent regulatory and legislative requirements. These requirements impact all aspects of operations and must be incorporated into the Shire's Strategic Community Plan, Corporate Business Plan and informing documents including the ICT Strategic Plan.

In addition the Department of Local Government has recently developed an ICT Strategic Framework that local governments must comply with as part of the overarching IPR Framework. The development of ICT at the Shire will need to meet the requirements of this framework.

## **Emerging Technology**

The continual progression of information technology dictates that emerging technology will significantly impact the Shire and remain a major influence on strategic direction. Underlying ICT infrastructure is being enhanced at a rapid pace and this presents opportunities for the organisation to improve and enhance ICT service delivery.

The future direction of ICT development can be predicted to a degree over the next three to five years; however it is very difficult to envisage what form these emerging technologies will take in the longer term.

## **Funding and Staffing**

Ensuring adequate funding for ICT is a focus of the ICT Strategic Plan. Outcomes derived from the plan will be included in the Shire's ICT Asset Plan and Long Term Financial Plan to ensure a viable ongoing funding stream.

Attracting and retaining skilled ICT staff is also a core driver of the ICT Strategic Plan. The attraction and retention of appropriately experienced and qualified staff is vital to ensure the successful delivery of ICT strategies and objectives. In addition the plan will ensure that alternate options including cloud hosted services and outsourcing are explored.

## **Asset Management**

Management and control of ICT assets is vital to ongoing operations and needs to be aligned with the Shire's overarching Asset Management Plan to guarantee appropriate management of assets.

## **Location flexibility**

Local government services are continually morphing to meet community needs. These

changes necessitate transformation of traditional delivery channels to ensure staff are equipped to effectively and efficiently deliver services. ICT will be required to enhance systems to ensure reliable, secure and transparent access to Shire resources from anywhere, at any time.

## ICT Strategy – Guiding Principles

The following key principles will assist Information Services (IS) to achieve the vision and define the 'culture of ICT' at the Shire:

<b>Strategic Alignment</b>	ICT strategic decisions will be driven by and aligned with business strategies and requirements.
<b>Engage with the Business</b>	IS will engage early with the business to ensure that ICT requirements for business initiatives are captured, clearly defined and adequately budgeted.
<b>ICT Infrastructure</b>	The ICT infrastructure will be simple, well architected, integrated, reliable and secure.
<b>Service Excellence</b>	ICT will deliver timely, reliable and consistent support service to the business.
<b>Information as an Asset</b>	Information will be valued as an asset and will be available and managed to support service delivery, better decision making and innovation.
<b>Business Systems</b>	We will aim to maximise investment in existing solutions before considering new solutions. Applications will have significant market share and provide flexible support and licensing options.
<b>Innovate and Collaborate</b>	ICT solutions will be innovative, easy to use and support collaboration.
<b>Centralise ICT Decisions</b>	Major ICT decisions will be made centrally by IS in consultation with the business through a formal ICT governance process.
<b>Continually Improve</b>	Metrics and customer feedback will be utilised to measure performance and improve efficiencies.
<b>Leverage Vendor Management</b>	Where possible IS will leverage vendor and procurement management to ensure maximum tactical and strategic value from suppliers.

## ICT Strategic Framework

The Department of Local Government and Communities Information Technology Framework will be utilised as a baseline to develop the Shire of Ashburton ICT Strategic Plan themes.

The IT Framework represents the discipline of IT management as comprising seven key elements. The framework has been designed with four pillars reflecting the four main IT disciplines, with overarching governance and robust project management underpinning the framework. The positioning of Emerging Technologies and Trends over the four pillars of IT recognises the role that disruptive technologies has on the delivery of IT services.

The key elements of the IT Framework are:



The key elements comprise a number of lower level elements. Together, these elements describe the discipline of managing each of the key elements identified within the framework.

Action Legend:      Planning:       Delivery:       Business As Usual: 

## ICT Strategic Theme 1 – Governance






The current and future use of ICT at the Shire of Ashburton will be directed and controlled by a formalised governance framework that will ensure ICT decisions are made in alignment with strategic business priorities. The development of a governance framework ensures a comprehensive understanding of the value and impact of ICT investments allowing enhanced service delivery to staff and stakeholders.







Improved governance processes will assist in identifying opportunities for ICT use across the organisation, making decisions visible and transparent, minimising risk, increasing benefit realisation and encouraging compliance with policies and standards.















### Outcome 1.1: Alignment of ICT initiatives with organisational requirements

Strategy 1.1.1      Develop and implement ICT governance framework.

Strategy 1.1.2      Improved ICT Strategic Plan review and performance reporting process in line with relevant industry standards.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
1.1.1-1	Develop ICT governance framework	Internal	4 Months					
1.1.2-1	Develop ICT Strategic Framework: <ul style="list-style-type: none"> <li>• ICT Strategic Plan;</li> <li>• ICT Business Plan;</li> <li>• ICT Asset Management Plan;</li> <li>• ICT Long Term Financial Plan;</li> <li>• ICT Risk Management Plan;</li> <li>• Supporting documents; and</li> </ul>	Internal	Ongoing					















	<ul style="list-style-type: none"> <li>Annual review process.</li> </ul>							
1.1.2-2	Develop next iteration of ICT Strategic Plan.	Internal	3 Months					
1.1.2-3	Ensure annual ICT budget process reflects financial modelling contained in the Shire's ICT Asset Management Plan and Long Term ICT Financial Plan.	Internal	Ongoing					

Outcome 1.2: Skilled and capable ICT workforce								
Strategy 1.2.1 ICT key competencies are captured in workforce plan.								
Strategy 1.2.2 Managed, shared and outsourced ICT service delivery models are fully exploited where appropriate.								
Strategy 1.2.3 Ensure suitable staff training and professional development systems in place.								
Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
1.2.1-1	Develop ICT key personnel requirements and ensure these needs are captured in relevant workforce planning documents.	Internal	2 Weeks					
1.2.2-1	Assess relevant ICT service delivery methods and migrate to “as a service” where appropriate business benefits can be delivered.	Unknown	Ongoing					
1.2.2-2	Investigate suitability of outsourced management of Shire ICT Assets – local and remote.	Internal	Ongoing					
1.2.3-1	Support ICT staff to adapt to changing technologies.	Internal	Ongoing					

### Outcome 1.3: Maximise benefits through collaborative strategic procurement processes and vendor relationships

Strategy 1.3.1 Ensure local and government provided procurement arrangements are fully exploited.

Strategy 1.3.2 Ensure maximum organisational value is achieved through effective contract management

















Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
1.3.1-1	Investigate government provided ICT contractual arrangements.	Internal	Ongoing					
1.3.2-1	Implement annual ICT software and hardware contract review process.	Internal	1 Month					
1.3.2-2	Examine telecommunication service contracts to ensure operational and financial benefits are maximised.	Internal	Ongoing					



## Outcome 1.4: Optimised internal ICT service provision

Strategy 1.4.1 Adopt standards based, adaptive internal ICT service management framework to optimise ICT operations.

Strategy 1.4.2 Ensure efficient and effective use of ICT resources.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
1.4.1-1	Develop ICT policy, process and procedure analysis and review framework. Review annually.	Internal	3 Months					
1.4.1-2	Implement ICT maturity assessment and improvement plan. Review annually.	Internal	3 Months					
1.4.2-1	Develop ICT performance reporting framework and tools to ensure ICT transparency, compliance and control. Review annually.	Internal	2 Months					
1.4.2-2	Implement standards based ICT project management methodology. Review annually.	Internal	2 Months					

Action Legend:      Planning:       Delivery:       Business As Usual: 





## ICT Strategic Theme 2 – Infrastructure and Technology

ICT infrastructure and technology underpins the effective delivery of customer service by the organisation. As such ICT infrastructure and technology must be effectively managed to ensure organisational deliverables are achieved. A formalised approach to ongoing management and innovation must be developed and adequately financed to realise this outcome. This action must account for all aspects of ICT infrastructure and must derive support from all levels of the organisation and Council.

### Outcome 2.1: Lifecycle management of ICT infrastructure
















Strategy 2.1.1      Ensure organisational support and funding for ICT infrastructure.

Strategy 2.1.2      Minimise the environmental impact of ICT operations.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
2.1.1-1	Integrate lifecycle management of ICT infrastructure into Long Term Financial Plan and ICT Asset Management Plan.	Internal	1 Week					
2.1.2-1	Develop ICT Sustainability Strategy to identify and rationalise the environmental impact of ICT operations. <ul style="list-style-type: none"> <li>• Reduce print impacts</li> <li>• Consolidate equipment to reduce energy consumption</li> <li>• Reduce paper use and waste</li> <li>• Asset disposal.</li> </ul>	Internal	2 Months					

## Outcome 2.2: Managed infrastructure architecture

- Strategy 2.2.1 A simple well architected ICT infrastructure that acts as an enabler for business systems.
- Strategy 2.2.2 Implement standards based infrastructure architecture frameworks.
- Strategy 2.2.3 Telecommunications services are robust, scalable and meet organisational needs.
- Strategy 2.2.4 Deploy, secure, monitor and manage Shire mobile devices.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
2.2.1-1	Develop ICT Infrastructure Roadmap and Transition Plan with ongoing annual reviews.	Internal	2 Months					
2.2.2-1	Ensure desktop computer standard operating environment (SOE) meets organisational requirements.	Internal	Ongoing					
2.2.3-1	Regularly review the applicability of available telecommunication technologies.	Internal	Ongoing					
2.2.3-2	Connect all sites to Telstra fibre to facilitate faster speeds and better service.	Telstra Cost	6-12 Months					
2.2.4-1	Investigate and deploy a platform for deploying, securing, monitoring, integrating and managing mobile devices.	Internal	6 Months					

Action Legend:

Planning:



Delivery:



Business As Usual:



## ICT Strategic Theme 3 – Business Systems & Applications

The strategic management and delivery of business systems and applications across the organisation is essential in delivering quality customer service outcomes. These systems need to be efficient and effective for the organisation while ensuring consumer needs are serviced appropriately. As such the overall aim of this strategic theme is to align business systems and applications with the functional requirements of the business and the useability requirements of our users.

In line with the ICT principle to maximise investment in existing solutions, work will continue on integrating SynergySoft so it delivers maximum effectiveness for the business. This will involve developing capabilities around integration, automation, online services and reporting. Best of breed software utilised for specific business unit requirements will be tailored to ensure integration with core SynergySoft modules and other business systems where possible.


























### Outcome 3.1: Lifecycle management of business systems and applications

Strategy 3.1.1 Ensure business systems and applications are aligned with strategic direction to ensure sustainability.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
3.1.1-1	Integrate lifecycle management of business systems and applications into Long Term Financial Plan and ICT Asset Management Plan.	Internal	2 weeks					
3.1.1-2	Refresh PCs, laptops, mobiles and satellite phones as they reach end of life.	\$50K	Ongoing					

### Outcome 3.2: Deliver business systems that improve customer satisfaction

Strategy 3.2.1 Ensure business systems allow staff to effectively deliver quality customer service.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
3.2.1-1	Assess core business systems and applications.	Internal	Ongoing					
3.2.1-2	Evaluate and implement a budgeting system to integrate with Synergysoft.	Internal	6 Months					
3.2.1-3	Undertake SynergySoft Feasibility Study	\$50K	2 Months					
3.2.1-4	Evaluate the replacement of SynergySoft Agenda and Minutes Module (i.e. Infocouncil).	Internal	3 Months					
3.2.1-5	Upgrade AIMS to new version of SharePoint, SQL Server, and Office Online Server to take advantage of advances in SharePoint and prepare for possible Cloud deployment.	\$100K	6-12 Months					
3.2.1-6	Review and restructure current network file system to enhance useability and security.	Internal	3 Months					
3.2.1-7	Better integrate GIS systems to allow for easier and better use.	Internal	6 Months					
3.2.1-8	Investigate new technology for enhancing emergency management services and responses.	Internal	Ongoing					
3.2.1-9	Train and educate staff when new technologies and applications are implemented.	Internal	Ongoing					

## ICT Strategic Theme 4 – Emerging Trends and Technologies






Emerging trends and technologies provide challenges and opportunities for local government in managing ICT systems and resources, and delivering future ICT services.









Frequently the adoption of technology by the consumer market demands that local government keep pace in order to deliver the expected level of service to the community. In some cases however hype surrounding new trends and technologies can far outweigh the benefits that can realistically be achieved. It is therefore critical that the driving force behind adoption is not technology but demonstrated business need.







### Outcome 4.1: Utilise cloud services where appropriate to improve service delivery and innovation







Strategy 4.1.1 Leverage cloud services to deliver integration and interoperability across corporate systems.







Strategy 4.1.2 Reduce reliance on internal data cloud.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
4.1.1-1	Ensure cloud services are evaluated for suitability when existing ICT infrastructure or business systems are replaced and when new ICT infrastructure or business systems are procured.	Internal	Ongoing					

4.1.1-2	Utilise cloud services to enhance external access to corporate ICT services.	\$25K	3 Months					
4.1.1-3	Investigate opportunities to migrate business systems and applications to cloud platform <ul style="list-style-type: none"> <li>Skype for Business / Exchange/SharePoint.</li> </ul>	Internal	3 Months					
4.1.2-1	Assess “as a service” cloud opportunities as replacements for internal data cloud components (firewall)	Internal	3 Months					
4.1.2-2	Investigate outsourced management of Shire data centre.	Internal	1 Month					

Outcome 4.2: Develop online services that optimise the customer service experience								
Strategy 4.2.1		Increased ability to service customer queries and transactions via online systems.						
Strategy 4.2.2		Leverage and manage online services and social media to improve community communication channels.						
Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
4.2.1-1	Evaluate online payment and booking capabilities across Council services.	Internal	Ongoing					
4.2.1-2	Evaluate online Facilities Booking Systems with Community Services.	Unknown	3 Months					

4.2.1-3	Ensure online services are accessible from traditional and developing platforms including smartphones and mobile devices.	\$15K	1 Month					
4.2.2-1	Improve the management and dissemination of Council information via online services including social media channels.	Unknown	2 Months					
4.2.2-2	Improve delivery of Councillor resources via online services.	Internal	3 Months					

Strategy 4.3: Harness developing technology to enable positive organisational and community outcomes								
Strategy 4.3.1 Ensure developing technologies are assessed for business value and integrated where improved customer service can be demonstrated.								
Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
4.3.1-1	Implement a Mobile Device Implementation Plan.	Internal	3 Months					
4.3.1-2	Investigate opportunities for mobile application service delivery.	Internal	Ongoing					
4.3.1-3	Investigate technology to improve remote connections for staff and contractors	Internal	3 Months					
4.3.1-4	Investigate possibilities to utilise IoT (Internet of Things) connected equipment within the Shire	Internal	Ongoing					



Action Legend:

Planning:



Delivery:



Business As Usual:



## ICT Strategic Theme 5 – ICT Business Continuity & Security

Business continuity and information security represent two critical organisational risks.

From an ICT perspective business continuity involves disaster recovery planning and contingency planning, data recovery, risk management, backups, redundancy, replication and emergency response. Effective business continuity planning allows an organisation to continue to operate during a serious incident or crisis and to recover appropriately following such an incident.













As implied, information security deals with risks associated with securing digital information on the Shire's corporate network and public facing systems. As a government agency we are required to ensure that our digital information and ICT assets are secured effectively.

Although the Shire has not had to deal with a large scale disaster or security event recently, power outages have demonstrated the potential impact these events are likely to have. This strategic theme will outline a best practice approach to ensure that business continuity and security are managed effectively, visible to senior management and appropriately resourced.

### Outcome 5.1: Develop organisational capabilities surrounding ICT resilience and continuity


Strategy 5.1.1 Predictable continuation and recovery of ICT operations in the event of a disaster.




















Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
5.1.1-1	Review and develop Shire's ICT Business Continuity Process <ul style="list-style-type: none"> <li>Disaster Recovery Plan</li> <li>Business Impact Analysis / Risk Register</li> <li>Testing process and procedures.</li> </ul>	Internal	Ongoing					

5.1.1-2	Ensure effective ICT business continuity and disaster recovery processes <ul style="list-style-type: none"> <li>Annual ICT disaster recovery test.</li> </ul>	Internal	2 Weeks					
5.1.1-3	Evaluate cloud backup capabilities	Internal	Ongoing					
5.1.1-4	Develop methods/policies to protect physical IT equipment in offices from both environmental and human interference. Example is the addition of a generator at the Tom Price Administration building to protect against power outages and greater restrictions on server room access.	\$50K	6-12 Months					

## Outcome 5.2: An operational ICT environment maximising the security and integrity of digital assets and minimising likelihood and impact of security breaches.

- Strategy 5.2.1 Adopt a standards based information security management framework.
- Strategy 5.2.2 Implement annual external security audit and analysis of ICT systems.
- Strategy 5.2.3 Deliver efficient and secure user access across all systems, including cloud resources.
- Strategy 5.2.4 Ensure security and risk provisions are incorporated in vendor and service provider contract arrangements.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
5.2.1-1	Develop an information security management framework in line with the federal governments Protective Security Policy and information security standard ISO27001.	\$10K	2 Months					

5.2.1-2	Implement robust incident management reporting and response systems.	\$10K	2 Months					
5.2.2-1	Engage ICT security specialist to conduct annual vulnerability assessment to maximise security and integrity of Shire systems.	\$15K	Annually					
5.2.2-2	Develop security measures to mitigate issues uncovered through annual vulnerability assessment (5.2.2-1).	Unknown	Ongoing					
5.2.2-3	Implement threat detection technology to improve security.	\$10K Annually	Ongoing					
5.2.3-1	Develop a user Identity and System Access Management Strategy to implement data loss prevention, multi-factor authentication, security and encryption	Unknown	6 Months					
5.2.4-1	Define standardised security and risk provisions for contractual arrangements	Internal	Ongoing					

Action Legend:

Planning:



Delivery:



Business As Usual:



## ICT Strategic Theme 6 – Information Management

In conjunction with people and finances, information is a key resource of the Shire. For us to achieve our strategic objectives we need to ensure that information resources are properly coordinated and managed. Underpinning this approach are the legislative requirements surrounding data integrity, privacy and security of information in a local government environment.

In the context of the ICT Strategic Plan, Information Management (IM) refers to the effective management of information at the Shire of Ashburton. IM identifies the aspects of information management that should be considered to ensure that information is captured, stored, accessed, maintained and disposed of securely and effectively.

Knowledge management is another important aspect of information management. While information can be considered to be tangible and is stored electronically or on paper, knowledge is intangible but no less significant. Information once interpreted and understood becomes knowledge.

Tools allowing the Shire to effectively recognise, generate, share and manage corporate knowledge will provide numerous operational efficiencies that will in turn drive customer satisfaction and reduce costs.





### Outcome 6.1: Information Management systems are aligned with the strategic and operational requirements

Strategy 6.1.1 Ensure accountable and transparent governance of corporate information.

Strategy 6.1.2 Deliver accurate and highly available corporate information delivering improved business intelligence.


Strategy 6.1.3 Mitigate information security and privacy risks.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
6.1.1-1	Establish Information Management Strategic Framework	Internal	2 Months					

6.1.1-2	Establish Information Management Governance Framework <ul style="list-style-type: none"> <li>- Principles, responsibilities</li> <li>- Architecture, standards, policy and principles</li> <li>- Monitoring and compliance</li> </ul>		3 Months					
6.1.2-1	Introduce Information Management classification system to ensure lifecycle management of information: capture, classification, de-duplication, storage and disposal.	Internal	3 Months					
6.1.2-2	Review records management options	Unknown	6 Months					
6.1.3-1	Develop Information Management compliance monitoring and reporting processes and systems.	Internal	2 Months					

## Outcome 6.2: Transition the organisation from information-centred to knowledge-centred.

Strategy 6.2.1 Corporate knowledge is captured and disseminated, improving efficiencies, reducing costs and driving customer service.

Actions		Indicative Budget	Elapsed Time	Timeframe / Resources				
				17/18	18/19	19/20	20/21	21/22
6.2.1-1	Implement knowledge management systems and processes to recognise, generate, share and manage corporate knowledge.	Internal	6 Months					

## References

Department of Local Government and Community, *Information and Communications Technology Strategy Framework*, 2013.

Nielsen, *Australian Connected Consumer Report*, 2014.

Cisco, *Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update - 2011 – 2016*, 2012.