



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

**AGENDA  
&  
ATTACHMENTS**

**Mayu Maya Centre, Pannawonica  
21 September 2017**

**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 21 September 2017 at the Mayu Maya Centre, Pannawonica commencing at 9:30 am.

The business to be transacted is shown in the Agenda.



Dale Stewart  
**ACTING 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 & RISK COMMITTEE MEETING 21 SEPTEMBER 2017

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**1. DECLARATION OF OPENING**

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

**1.1 ACKNOWLEDGEMENT OF COUNTRY**

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

**2. ATTENDANCE**

**2.1 PRESENT**

<b>Members:</b>	Cr P Foster Cr K White Cr D Dias Cr G Dellar	Tom Price Ward (Presiding Member) Onslow Ward Paraburdoo Ward Ashburton Ward
<b>Staff:</b>	Mr D Stewart Mr J Bingham Ms J Smith Mrs M Lewis	Acting Chief Executive Officer Director Corporate Services Executive Officer CEO & Councillor Support 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**

**3. ANNOUNCEMENT OF VISITORS**

**4. DECLARATION BY MEMBERS**

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

Councillors Foster, White, Dias and Dellar 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:

## AGENDA - AUDIT & RISK COMMITTEE MEETING 21 SEPTEMBER 2017

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

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

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

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

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

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

<b>Item Number/ Name</b>	<b>Type of Interest</b>	<b>Nature/Extent of Interest</b>

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

**5.1 AUDIT AND RISK COMMITTEE MEETING HELD ON 18 JULY 2017**

**Officers Recommendation**

That the Minutes of the Audit and Risk Committee Meeting held on 18 July 2017, 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 SEPTEMBER 2017

<b>FILE REFERENCE:</b>	FM14.16.17
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Procurement Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Dale Stewart Acting Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	8 September 2017
<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 13.5 (Minute No. 200/2017) – Ordinary Meeting of Council 18 July 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 Australia Pty Ltd conducted the latest review in late 2016 and its report contains a list of improvements/opportunities.

At the July 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 some in the final stages of progression.

#### **Background**

At the Council Meeting of 18 July 2017 Council resolved to seek completion of a Customer Complaint Handling Procedure to be due before the end of September 2017, rather than its date of March 2018.

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

## AGENDA - AUDIT & RISK COMMITTEE MEETING 21 SEPTEMBER 2017

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 Moore Stephens and a report was presented to the Audit & Risk Committee on 17 January 2017 and again on 14 March 2017.

### **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 Moore Stephens Pty Ltd 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 Moore Stephens 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 administration propose to see the improvements recommended progressed and finalised.

### **ATTACHMENT 7.1A**

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 considered and where thought warranted, addressed within the next 6 - 12 months.

A Customer Complaint Handling Procedure has been brought forward and developed in earlier than previously indicated in accordance with the resolution of the Council Meeting of 18 July 2017.

### **Consultation**

Acting Chief Executive Officer  
Director Corporate Services  
Acting Administration Manager  
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, which are to take place every two years.

**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, etc) 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 process. This will take place over the coming months via now standardised policy review process.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That the Audit & Risk Committee recommend to Council, that Council:

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

1. Notes the updated CEO's Report (as per **ATTACHMENT 7.1A**) 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 and;
2. Adopt the new Policy ADM09 Complaints Management (as per **ATTACHMENT 7.1B**).

**8. NEXT MEETING**

The next Audit and Risk Committee Meeting will be held at a time to be determined.

**9. CLOSURE OF MEETING**

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



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

**MINUTES**

**Clem Thompson Sports Pavilion, Stadium  
Road, Tom Price  
18 July 2017  
10.00 am**

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

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

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

Acting CEO: \_\_\_\_\_



Date: 21/07/2017

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

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

Date: \_\_/\_\_/2017

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## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**1. DECLARATION OF OPENING**

The Presiding Person declared the meeting open at 10.02 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	Tom Price Ward (Presiding Person) Onslow Ward Paraburdoo Ward
<b>Staff:</b>	Mr D Stewart Mr J Bingham Mrs N Tyson Ms J Smith Mrs M Lewis	Acting Chief Executive Officer Director Corporate Services Acting Administration Manager Executive Officer CEO & Councillor Support Officer
<b>Guests:</b>	Cr M Lynch Cr D Diver	Tom Price Ward Tom Price Ward
<b>Members of Public:</b>	There were no members of the public in attendance at the commencement of the meeting.	
<b>Member of Media:</b>	There were no members of the media in attendance at the commencement of the meeting.	

**2.2 APOLOGIES**

Cr G Dellar      Ashburton Ward

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

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

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, 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;

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

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

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

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

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

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

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

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

**Declarations of Interest provided:**

Item Number/ Name	Type of Interest	Nature/Extent of Interest
		There were no interests declared.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING****5.1 AUDIT & RISK COMMITTEE MEETING HELD ON 24 MARCH 2017****Officers Recommendation and Committee Decision****MOVED: Cr K White****SECONDED: Cr D Dias****That the Minutes of the Audit & Risk Committee Meeting held on 24 March 2017, be confirmed as a true and accurate record.****CARRIED 3/0****Councillors Foster, White and Dias voted for the motion****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 & 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 18 JULY 2017

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

MINUTE: 6/2017

<b>FILE REFERENCE:</b>	FM14.16.17
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Acting Administration Manager
<b>AUTHORISING OFFICER AND POSITION:</b>	Dale Stewart Acting Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	4 July 2017
<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**

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

At the 14 March 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.

**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 Moore Stephens and a report was presented to the Audit & Risk Committee on 17 January 2017 and again on 14 March 2017.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**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 Moore Stephens Pty Ltd in the Regulation 17 Audit for the Shire of Ashburton's consideration in the areas covered by the audit, that being:

1. Risk Management;
2. Internal Controls; and
3. Legislative Compliance.

There were no critical (i.e. legislative compliance) issues raised in the Moore Stephens 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 administration 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, whilst further are in progress to being implemented. It is anticipated that all of these suggested improvements will be considered and where thought warranted, addressed within the next 6 - 12 months.

**Consultation**

Acting Chief Executive Officer  
 Director – Corporate Services  
 Acting Administration Manager  
 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, which are to take place every two years.

**Strategic Implications**

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

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**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, etc) 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 process. This will take place over the coming months via now standardised policy review process.

**Voting Requirement**

Simple Majority Required

**Officers Recommendation**

That the Audit & Risk Committee recommend to Council that:

That Council receive the Acting Chief Executive Officer's Risk Audit Progress 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 the relevant items viewed.

**Officers Recommendation and Committee Decision**

**MOVED: Cr K White**

**SECONDED: Cr D Dias**

**That the Audit & Risk Committee recommend to Council:**

**That with respect to the Acting Chief Executive Officer's Risk Audit Progress Report, that Council:**

- 1. Receive the Progress Report (as per ATTACHMENT 7.1) which describes how the suggested improvements / opportunities will be implemented, including actions completed, progressing items; and**
- 2. Amend item 8.5.2 Community Complaints Handling due for completion March 2018 to being due in September 2017.**

**CARRIED 3/0**

**Councillors Foster, White and Dias voted for the motion**

**Reason for Change of Recommendation:**

The Committee felt that the due date in respect to 8.5.2 Community Complaints Handling should be brought forward.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**7.2 POLICY REVIEW - CORP5 RISK MANAGEMENT POLICY AND FRAMEWORK****MINUTE:** 7/2017

<b>FILE REFERENCE:</b>	GV20
<b>AUTHOR'S NAME AND POSITION:</b>	Nicky Tyson Acting Administration Manager
<b>AUTHORISING OFFICER AND POSITION:</b>	Dale Stewart Acting Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	6 July 2017
<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 12.1 (Minute No. 11151) – Ordinary Meeting of Council 19 November 2014

**Summary**

The Regulation 17 Audit conducted by Moore Stephens in October 2016, ascertained some areas of suggested improvement recommended in relation to the existing Risk Management Policy (CORP5).

Such areas being:

Risk recording and reporting is not currently occurring as required by Risk Management Policy.

The rating of consequences of risks does not consider the context in which the risk is being assessed.

Risk recording and reporting should be undertaken in accordance with the Risk Management Policy.

Suggesting the use of percentages when assessing consequences to enable the risk rating to be based on the context of the assessment being undertaken.

As a consequence, the Shire engaged Local Government Insurance Services (LGIS), who convened several Risk Management Workshops through the Shire to assist the view of our risk managements systems and policy. The Administration now present for consideration an updated policy and subsidiary framework that addresses the suggested improvement as above and is consistent with the current recommended approach for government governments in WA.

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

The attached Risk Management Framework including embedded Policy and Procedures complies with the latest standard, being AS/NZS 31000:2009. Council is asked to consider adopting the revised policy (pages 2 and 3 of the attachment) together with the Risk Assessment & Acceptance Criteria (pages 17 to 19).

### Background

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.

The Shire engaged LGIS to assist the review and implementation our current risk management practices to address and reduce our risk exposure.

The revised COR5 Risk Management Policy (**ATTACHMENT 7.2A**) is proposed, with the existing CORP5 Risk Management Policy for comparison (**ATTACHMENT 7.2B**) and administrative procedure being the Risk Management Framework (**ATTACHMENT 7.2C**).

### Comment

The adoption of the revised policy will see the introduction of new procedures and a framework for implementation.

The adoption of the new policy will also see the introduction of a risk reporting framework and standard that embeds risk management and risk framework 'thinking' within the organisation and decision making of the Council.

**ATTACHMENT 7.2A**  
**ATTACHMENT 7.2B**  
**ATTACHMENT 7.2C**

### Consultation

Acting Chief Executive Officer  
 Acting Administration Manager  
 Executive Management Team  
 Safety and Wellbeing Coordinator  
 LGIS

### Statutory Environment

In supporting ongoing compliance with the Local Government (Audit) Regulations 1996 - Regulation 17 ('the Regulations'), the Regulations (Gazetted 8 Feb 2013) require the CEO to review and report to their Audit Committee, the appropriateness and effectiveness of their local government's systems and procedures in relation to risk management, internal control and legislative compliance, at least once every 2 calendar years.

The regulation states as follows:

*"17. CEO to review certain systems and procedures*

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

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

(3) *The CEO is to report to the audit committee the results of that review.*"

### Financial Implications

The policy revision will have no Budget impacts nor impact the provisions of the Long Term Financial Plan.

### 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 "Medium" 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

The proposal is to replace the current Risk Management Policy with a revised version that will facilitate the CEO and the organisation more readily able to demonstrate compliance with Regulation 17 and be more practical in its implementation.

The key changes from the current policy to the revised one includes:

- current wording as recommended by LGIS;
- the inclusion of greater definitions around Projects (adding time and cost as elements) and;
- varying the financial implication consequences as follows:

#### Measures of Consequence

Rating	Financial Impact Current	Financial Impact Revised
Insignificant (1)	Less than \$10,000	Less than \$10,000
Minor (2)	\$10,000 - \$100,000	\$10,000 - \$100,000
Moderate (3)	\$100,000 - \$500,000	\$100,000 - \$1m
Major (4)	\$500,000 - \$1m	\$1m - \$5m
Extreme (5)	More than \$1m	More than \$5m

If the Council is inclined to retain the current financial consequences (appetite) then it could adopt the Officer Recommendation to adopt the new Policy with retention of the current Financial Impact consequences, which it has accepted for the last four (4) years.

### Voting Requirement

Simple Majority Required

## MINUTES - AUDIT &amp; RISK COMMITTEE MEETING 18 JULY 2017

**Officers Recommendation and Committee Decision****MOVED: Cr D Dias****SECONDED: Cr K White****That the Audit & Risk Committee recommend to Council:****That Council replace Policy CORP5 'Risk Management' with the attached Risk Management Policy (ATTACHMENT 7.2A) and Risk Assessment and Acceptance Criteria (ATTACHMENT 7.2C) embedded within the Shire of Ashburton Risk Management Framework.****CARRIED 3/0****Councillors Foster, White and Dias voted for the motion****8. NEXT MEETING**

The next Audit & Risk Committee Meeting will be held on 21 September 2017, at the Mayu Maya Centre, Pannawonica, commencing at a time to be determined.

**9. CLOSURE OF MEETING**

The Presiding Person closed the meeting at 10.20 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 *18 July 2017*. Since this date, progress has been made as per below.

**As at ~~XXX~~ 5 September 2017:**

Suggestions/Opportunities: 43

Completed: ~~22~~19

Progressing: ~~21~~4

This progressed report will be presented to the Audit and Risk Committee meeting to be held on the 21 September 2017. The intent is to report to the Committee that all the improvements/suggestions have been further reviewed and acted upon since the July 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	<b>PROGRESSING</b> – A/CEO currently compiling internal control Directive	Feb 2018	Nil

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>PROGRESSING</b> – Policy modifications made. EMTT Reviewing. Agenda item for October Annual policy workshop	October 2017	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>PROGRESSING</b> – Policy modifications made. EMTT Reviewing. Agenda item for October Annual policy workshop	October 2017	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>PROGRESSING</b> – Procurement Coordinator is amending the policy. Proposed changes for review by EMTT and further adoption by Council. <u>It is anticipated that this Policy will be combined with FIN 12 Purchasing Policy, to form a one-stop-shop approach. This will be provided with all Tenders.</u>	October 2017	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>PROGRESSING</b> – Policy being review in conjunction with Asset Management Strategy and Plans, for <u>workshop</u> October OMC annual policy review.	October 2017	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>PROGRESSING</b> – <i>RFQ 26.17 Provision of Asset Management Plans and Strategy</i> via WALGA eQuotes 20/03/2017. RFQ Awarded to Assetivity, Plans presented to August OMC however held over until September OMC	Sept 2017	\$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> – <i>RFQ 26.17 Provision of Asset Management Plans and Strategy</i> via WALGA eQuotes 20/03/2017. RFQ Awarded to Assetivity, Plans presented to August OMC however held over until September OMC	Sept 2017	As 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>PROGRESSING</b> – GES to review and implement controls.	March 2018	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>PROGRESSING-COMPLETED</b> - Corporate Services Director reviewed existing plans and progressed to EMTT.	July 2017	Nil
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</b> – <u>being reviewed by the Records Coordinator for amendments. Currently under review for risk assessment due to updated Risk Management Policy and Framework. Full Plan review due in 2021</u>	<u>October 2017-2021</u>	NIL

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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>PROGRESSING COMPLETED</b> -New CORP 5 Policy and subsidiary Risk Management Framework procedures have been created and finalised. <del>For review by ARC</del> <u>Approved by ARC and adopted by Council July 2017 OMC</u>	July 2017	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 responsible officers.	June 2018	NIL
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>PROGRESSING</b> – Document is under review and being updated by both Organisational Development and the Finance Department. Recent amendments to ‘Accounts Payable’ section via Procurement.	Mar 2018	NIL
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

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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 responsibility of further investigation and implementation will be the responsibility of the <u>proposed</u> Governance <u>and Corporate Strategy</u> Manager.	December 2017	Nil
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>PROGRESSING</b> – To be developed	June 2018	unknown

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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
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



Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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.	CS-SC SCD-MCS	<b>PROGRESSING</b> – Community Development have engaged an external consultant who is assisting with the implementation of a Volunteer Manual which will include full code of conduct details and requirements along with the full induction process. <u>Due to Passion in the Pilbara, this date has been moved to December 2017</u>	<u>September</u> <u>December</u> 2017	Nil
7.3.2 (31)	Occupational Safety and Health Manual	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-SC SCD-MCS	<b>PROGRESSING</b> - Community Development have engaged an external consultant who is assisting with the implementation of a Volunteer Manual which will include full code of conduct details and requirements along with the full induction process. <u>Due to Passion in the Pilbara, this date has been moved to December 2017</u>	<u>September</u> <u>December</u> 2017	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
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-SODA	<b>PROGRESSING</b> – Implementation of new human resources software (“ELMO”) is still progressing and when finalised will retain and monitor this information more accurately. OD-SODA to review the existing register and ensure update and implementation of current licences/skills.	December 2017	Nil

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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</b> - The plan will be tested. This test needs coordinated with third parties (such as Telstra) to ensure our backup systems are operating at an optimum. CS-MIS to trigger a test of both plans to determine viability and adequacy of plans.	June 2018	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>PROGRESSING</b> - EMP04 Equipment & Key Policy/Directive is being finalised. CS-MIS to develop policy in conjunction with OD for all staff.	March 2018	\$
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.	<u>GES - GM</u> GES - EO	<b>PROGRESSING</b> – GES - GM and EO CEO to compile examples for review and implementation	March 2018	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.	<u>GES - GM</u>	<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

Paragraph		Matter Noted	Improvements	Responsible Department/ Position	Responses	Date for completion	Potential Additional Costs
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
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>PROGRESSING 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)	July ARC	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>PROGRESSING</b> - <i>See It Report</i> It is managed by the Assets Team. Which distributes reports to relevant department and record against the asset number. Reports are processed as an official Shire record and recorded in secure file. It is noted that we do not have a procedure for non-asset related complaints (Staff, Shire processes etc.) however these are being reviewed. <u>ADM 09 Policy, procedure and complaints form, created and presented for review by the September ARC</u>	September 2017	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	<b>PROGRESSING</b> - Suggestion noted and included in the 2017/8 Budget. The creation of the Manager of Governance and <u>Corporate</u> Strategy will be responsible for the implementation and process of an internal audit program.	June 2018	\$

# Council Policy



Number	ADM09	Principles/ Framework	Community Strategic Plan 2017-2027 Goal 05 – Inspiring Governance Objective 03 – Council Leadership		
Name	Complaints Management		Approval Date	OCM September 2017	
File No	GV20			Monitor & Review	Administration and Library Manager
Aim	To develop a structured and systematic approach for complaints received by the Shire of Ashburton from external persons				Last Review
Application:	Staff and elected members	Next Review	2019		
Statutory Environment	Nil		Review Period	Every 2 years	

## Policy

**Objectives**

The objectives of this policy are:

1. To develop a structured and systematic approach to dealing with complaints received by the Shire of Ashburton from external persons.
2. To assure the community that complaints may be made without fear of recrimination and that all complaints will be promptly dealt with and a (written if required) response will be given setting out the answer to the complaint providing reasons, where appropriate.
3. To have complaints dealt with efficiently by an appropriate employee with minimal referral.
4. To use complaints statistics to improve the effectiveness and efficiency of Council's operations.

**Policy**

5. The Shire of Ashburton encourages and recognises the right of its customers to make complaints about services or service delivery, and will make it a priority to address those complaints and rectify unsatisfactory consequences.
6. The Council and its staff will be open and honest in its dealings with customers, and will explain in "plain English" why, for legislative/legal reasons, cost constraints or some other matter beyond its control, it is unable to act in accordance with a complainant's request.
7. The Council recognises that good complaints handling is an integral part of customer service and provides an effective way of reviewing performance and monitoring standards.

**Guidelines**

8. Any person or their representative can lodge a complaint.
9. Complaints will be accepted in writing, in person, by facsimile transmission, by email or by telephone. If a verbally received complaint alleges a criminal offence, corruption or other serious matter, the receiving officer is to advise the complainant that the matter must be submitted in writing.
10. Complainants are to be advised that anonymous complaints may not be processed as it is possible that they may be mischievous or vexatious.
11. Complaints that are to be dealt with under this policy include, but are not necessarily limited to, expressions of dissatisfaction regarding;
  - a) decisions made by Council or staff;
  - b) inappropriate behaviour of staff or members such as rudeness, discrimination or harassment;
  - c) the standard of works or services provided by Council
  - d) failure of Council to comply with the Local Government Act, Council policies, Council's local laws and other laws administered by Council.
12. The following issues shall not be regarded as complaints and shall not be dealt with under this policy:
  - a) requests for services;

- b) requests for information or explanations of policies and/or procedures;
- c) the lodging of a formal objection or appeal in accordance with the Local Government Act and other Acts or in accordance with Council policies or standard procedures;
- d) the lodging of a submission in response to an invitation for comment;
- e) asset maintenance related complaints/works requests – which are to be processed via the existing Customer Action/Works Requests CAR form (both paper and electronic).
- f) matters relating to Rules of Conduct of elected members.

**13.** Complaints regarding elected members are to be directed to the CEO. The CEO is responsible for the initial investigation and administrative responses. Matters that may require disciplinary action are to be referred to the Shire President and dealt with under the Council's Code of Conduct or Rules of Conduct if relevant.

**14.** Complaints from Councillors, the Ombudsman, the Local Government Department or from Members of Parliament shall be referred to, and dealt with by the CEO, unless the complaints relates to the CEO, whereupon the complaint will be dealt with by the Shire President.

**15.** When any complaint is made, other than a complaint referred to in clauses 6 and 7, the designated receiving officer shall, within the limit of their authority, attempt to satisfy the complainant as soon as possible. If a complainant cannot be satisfied immediately, or on the same day, the designated receiving officer shall immediately issue to the complainant a written acknowledgement of the complaint and if need be, refer to the complaint and a copy of the acknowledgement to a Director or the CEO, as is appropriate, for investigation and determination of the complaint.

**16.** The following standard response times shall, ideally, be adhered to by all staff when dealing with complaints:

- a) Acknowledging in writing within 72 hours that the complaint has been received and a response will be given within 7 days.
- b) Issue an acknowledgement and explanation for any delay before the initial 7 days is up.

Where a complainant is advised of a likely delay to the handling of the complaint and the complaint is not finalised within a 7 day period, the complainant is to be provided with status reports from time to time until the complaint is satisfied.

**17.** Where a complaint has been investigated and found to be justified, the relevant officer who dealt with the complaint will ensure that the remedy is carried out, will advise the complainant that the Shire does acknowledge substance in the complaint and the specific action that will be taken by the Shire to respond to the circumstances of the complaint. The officer will, if appropriate, make follow-up contact with the complainant to ensure that the complaint has been resolved satisfactorily.

**18.** Where a complaint may identify the need for a review of procedures to prevent re-occurrences, relevant staff are to implement any required changes which they feel appropriate. If the matter cannot be easily remedied by the officer, they must liaise with their Director or the CEO to agree on a course of action.

Where the complaint identifies a need for a change of Council policy in a particular area or a need for additional resources, the matter shall be referred to Council as early as practicable.

**19.** The CEO shall establish and maintain an appropriate record of all complaints. The record will provide the following:

- a) nature of each complaint
- b) services or facilities about which the complaints are made
- c) time taken to conclude complaint investigations
- d) outcomes
- e) trends
- f) other relevant information.

**20.** The designated receiving officer of any complaint shall be responsible for ensuring that all details pertaining to the complaint are recorded in an appropriate manner.

**21.** The CEO may cease review of a complaint if it:

- Has previously been dealt with by the Shire;
- Was lodged more than twelve months after the alleged action took place, except where a complaint alleges that an action more than 12 months previously may have caused the issue of current concern; or
- If another statutory authority could more effectively deal with the complaint, in which case an explanation will be provided along with the contact details of the appropriate organisation.



# General Complaints Form

Please complete this form to make a general complaint concerning a Shire of Ashburton Service, Councillor or Staff member or representative.

The information you provide will be used by the Shire for the purpose of assessing and investigating your complaint.

**Please note:**

Your name and address must be provided in order to submit your complaint.

Should this form be submitted via email, the Shire may contact you to confirm your identity prior to accepting the complaint.

If you need help completing this form, please telephone a Customer Service Officer on (08) 9188 4444 or email [soa@ashburton.wa.gov.au](mailto:soa@ashburton.wa.gov.au)

## Part A – Complainee Contact Details

Name:

Postal Address:

Suburb:

Postcode:

Phone:

Email:

## Part B – Person(s) Complained About

Please include the full name of each person complained about and include details of their relationship with the Shire (i.e. Councillor, CEO, Employee):




**Part C – Complaint Details**

Please provide a description of your complaint including the relevant service or action and where / when the action or event(s) occurred:

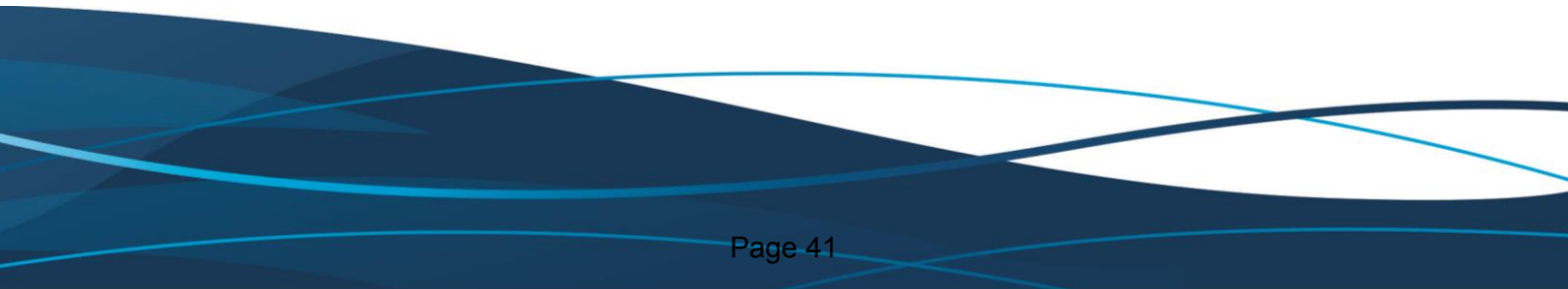

**Part D – Declaration**

To the best of my knowledge, the information provided is true and correct and I agree that I may be contacted for further information by the investigating officer if required.

Signature: \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Part E – Disclosure**

Your identity as a complainant will remain confidential unless you give permission for the Shire to reveal this information. In some cases, permission to reveal the details of your complaint may assist the Shire to effectively assess the matter.



### Part F – Consent Regarding Electronic Communications

Please complete the following if you wish the *Electronic Transactions Act 2011* to apply to the Shire's communications with you:

I (print full name)

give the Shire consent to communicate in writing with me, for any reason, by means of an electronic communication to my email address in the following electronic format or formats:

doc

docx

pdf

jpeg

Signature: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

### Part G – Submitting Your Complaint

You are invited to provide copies of relevant documents such as letters and reports in support of this complaint however, please ensure they are duplicates as the Shire will not return original documents.

Please check that the details you have provided are correct before submitting your complaint to:

Shire of Ashburton

PO BOX 567

TOM PRICE WA 6751

Email: [soa@ashburton.wa.gov.au](mailto:soa@ashburton.wa.gov.au)