



Published Minutes

Audit And Risk Management Committee Meeting

Tuesday, 20 August 2024

Date:	Tuesday 20 August 2024
Time:	8:30am
Location:	Council Chambers, Onslow Shire Complex, Second Avenue, Onslow
Distribution Date:	Friday 16 August 2024



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

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

K Donohoe
Chief Executive Officer
23 August 2024

These minutes were confirmed by Council as a true and accurate record of proceedings at the Audit And Risk Management Committee Meeting held on Tuesday, 20 August 2024.

Presiding Member

Date

10/12/24

Disclaimer

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1 Declaration Of Opening

The Presiding Member declared the meeting open at 8:31am.

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 past, present and emerging.

2 Announcement Of Visitors

Nil

3 Attendance

3.1 Present

Elected Members:	SP A Smith Cr K White Cr R De Pledge Cr M Lynch Cr A Sullivan	Shire President Deputy Shire President, Onslow Ward Ashburton-Tablelands Ward (arrived 8:59am) Tom Price Ward Paraburdoo Ward
Observers:	Cr M Gallanagh Cr L Rumble JP Cr B Healy Cr R Kapor	Pannawonica Ward Paraburdoo Ward Tom Price Ward Tom Price Ward
Employees:	K Donohoe J Sangster C McGurk D Kennedy G Harris A Johnston M Younger J Bray B Van Rensburg	Chief Executive Officer Deputy Chief Executive Officer Director Community Development (arrived 8:59am) Director Corporate Services Director Infrastructure Services Manager Media and Communications Manager Information Services (arrived 9:06am) Manager Governance Council Support Officer

Guests:	Aloha Morrissey, Paul Tilbrook and Talia Channer – Office of the Auditor General
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.
Members of media:	There were no members of the media in attendance at the commencement of the meeting.

3.2 Apologies

Nil

3.3 Approved Leave Of Absence

Nil

4 Declaration By Members

4.1 Due Consideration By Councillors To The Agenda

Elected Members noted that they have given due consideration to all matters contained in this agenda.

4.2 Declaration Of Interest

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

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

The following declarations of interest are disclosed –

Nil

5 Confirmation Of Minutes

5.1 Confirmation Of Previous Minutes

5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 21 May 2024

Committee Decision

Moved Cr K White

Seconded Cr M Lynch

That the Minutes of the Audit And Risk Management Committee Meeting held 21 May 2024 (Item 5.1.1 Attachment 1) be confirmed as a true and accurate record.

For: A Smith, K White, M Lynch and A Sullivan

Against: Nil

Carried 4/0

6 Public Agenda Items

6.1 Audit Log Status Update

File Reference	CM52
Applicant or Proponent(s)	Not Applicable
Author	W King, Business Transformation Partner
Authorising Officer	J Sangster, Deputy Chief Executive Officer
Previous Meeting Reference	Audit and Risk Management Committee 21 May 2024 - Item 6.1
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Internal Audit Log - August 2024

Report Purpose

Council is required to review the Audit Log actions.

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

Council is requested to receive the Audit Log status updates.

Background

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

Internal audits and external reviews are examples of methods Council may use to ensure sound management of the Shire is occurring.

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

Comments

This report covers the period 30 April 2024 to 2 August 2024.

No issues have been closed since the last report due to the vacancy in the Shire's Internal Auditor position. Progress has been made on a significant number of findings, including a number ready for closure. Upon commencement of a new Internal Auditor, independent validation will be undertaken and presented to the Audit and Risk Management Committee for closure.

Internal Audit

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

There are 141 issues open across various processes as of 14 August 2024. All actions for the Building Permit Application Process have been completed and it was agreed at the last meeting that reporting will cease on this topic.

Internal Audit Topic	Not Started		In Progress		Validated		Total Open		Total Items
	2 Aug	29 Apr	2 Aug	29 Apr	2 Aug	29 Apr	2 Aug	29 Apr	
Review of 2019 FMR	0	0	3	3	1	1	3	3	4
Procurement [21]	0	1	5	1	18	18	5	5	23
Risk Management	3	3	12	12	4	4	15	15	19
Grants Management	10	10	0	0	1	1	10	10	11
Records Management [21]	2	2	3	3	10	10	5	5	15
Records Management [22]	5	7	8	6	19	19	13	13	32
Cyber Security	0	4	20	16	3	3	20	20	23
Business Continuity, Disaster Recovery and Incident Management	14	20	9	3	3	3	23	23	26
Contract Management	0	0	7	7	10	10	7	7	17
Fraud and Corruption	9	9	8	8	10	10	16	17	27
Payroll & HR	0	1	6	5	0	2	6	6	6
Regulation 17-2023	1	5	14	12	0	12	14	17	14
Procurement [24]	7	0	0	0	0	0	7	0	7
Totals	44	62	93	76	79	93	141	141	221

Since last reported to the Audit and Risk Management Committee on 16 April 2024 a further seven (7) recommendations have been made in relation to Procurement. Each of these seven recommendations have now been added to the log.

Financial Audits

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

There are 15 issues open across various processes as of 2 August 2024.

Internal Audit Topics	Not Started		In Progress		Validated		Total Open		Total Items
	2 Aug	29 Apr	2 Aug	29 Apr	2 Aug	29 Apr	2 Aug	29 Apr	
Financial – 30 June 2021	1	1	0	0	8	8	1	1	9
Financial – 30 June 2022	1	1	0	0	5	5	1	1	6
Financial – 30 June 2023	5	5	0	0	0	0	5	5	5
IT General Controls 2020-21 & 2021-22	3	3	5	5	2	2	8	8	10
Totals	10	10	5	0	27	27	15	15	42

No recommendations have been completed since last reported to the Audit and Risk Management Committee on 20 February 2024. Significant progress has been made on outstanding actions however, until the next external audit is conducted, actions cannot be closed.

Note: Full Audit Log attached (Attachment 1) shows only the actions pending.

Consultation

The relevant officers have provided updates on the outstanding actions.

Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

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

Council Policy

Nil

Financial Implications

Current Financial Year

Nil

Future Financial Year(s)

Nil

Legislative Implications

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

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

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

Risk Management

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

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

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

Voting Requirements

Simple Majority

Officer Recommendation

That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log as detailed in Attachment 1.

Committee Decision

Moved Cr M Lynch

Seconded Cr K White

That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log as detailed in Attachment 1.

For: A Smith, K White, M Lynch and A Sullivan

Against: Nil

Carried 4/0

6.2 Performance Audit - Physical Security of Server Room Assets Onslow

File Reference	FM10
Applicant or Proponent(s)	Not Applicable
Author	D Kennedy, Director Corporate Services
Authorising Officer	D Kennedy, Director Corporate Services
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	<ol style="list-style-type: none"> 1. Performance Audit - Local Government Physical Security of Server Room Assets Emerging Findings Letter - Confidential 2. Local Government Physical Security of Server Assets Performance Audit June 2024

Report Purpose

The purpose of this report is to inform the Audit and Risk Management Committee (ARMC) of the outcomes from the recent performance audit of physical security of server room assets at the Onslow Administration Building, conducted by the Office of the Auditor General (OAG).

The ARMC is requested to note the findings and recommend to Council that the OAG report be received.

Background

Notification and Selection:

- In November 2023, the Shire of Ashburton (the Shire) was informed that it was one of 16 non-metropolitan local government entities chosen for a performance audit focused on the physical security of IT assets.

Audit Details:

- The performance audit is conducted by the Office of the Auditor General (OAG) as part of its mandate under section 18(2) of the *Auditor General Act 2006*.
- The audit aims to assess the security measures protecting IT assets against unauthorised access and environmental damage, particularly in key infrastructure areas such as server rooms.

Importance of Physical Security:

- Physical security is critical for safeguarding an entity's information. Failure to protect IT assets can compromise the security of both private and commercial data.
- Inadequately secured servers pose risks, including unauthorised access and environmental hazards, which could disrupt the entity's ability to provide continuous services to the community.

Audit Timeline and Location:

- The physical audit took place at the Onslow Administration Building on 19 April 2024.
- The OAG issued the Shire with an Emerging Findings letter on the 10 June 2024 (Attachment 1 - Confidential), with the full Performance Audit report being tabled in Parliament on the 24 June 2024 (Attachment 2).

Comments

The dedicated server room in Onslow is relatively modern and met the OAG's expectations with regards to auditable restricted access and the server rack being appropriately secured.

Environmental controls were adequate to warn of several environmental hazards such as temperature, humidity and fire.

However, the OAG identified some improvement areas for further consideration as follows:

1. No controls in place to warn of changes to power conditions.
2. Uninterruptable Power Supply (UPS) not being serviced; and
3. Damage ceiling panels could cause a possible hazard to the server.

In early June the UPS in the Onslow server room failed, highlighting the issue raised above. The UPS had been identified as being overdue for replacement and was planned for renewal in the 2024/25 Annual Budget. Temporary measures are in place and a new monitored UPS is expected to be operational by the end of August 2024.

A local contractor has been engaged to repair the damaged ceiling panels.

OAG Briefing to the Audit and Risk Management Committee

As part of the performance audit process, the OAG is pleased to brief the ARMC. This has been arranged to occur at the commencement of the ARMC meeting scheduled for 20 August 2024.

This will provide the OAG the opportunity to explain the process and methodology followed and for ARMC members to ask any questions.

Additional Server Rooms

The audit has highlighted the need for improvements in the physical security of the Shire's server locations beyond the Onslow server room. These locations include the Onslow Airport, Pannawonica (shared facility with Rio Tinto), Paraburdoo and Tom Price.

Council has allocated capital funding in the 2024/25 Annual Budget to upgrade and renew the infrastructure at each of these sites to enhance their physical security.

There are limitations however, for example with the Tom Price server room, which is currently a multi-function room, not a dedicated server room. Full resolution will depend on the construction of a new Administration Building.

Consultation

Office of the Auditor General
Manager Information Services

Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

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

Council Policy

[Council Policies » Shire of Ashburton](#)

Nil

Financial Implications

Current Financial Year

Nil. Council has existing approved budget to address improvement suggestions.

Future Financial Year(s)

Nil. The Long-Term Financial Plan is reviewed on a regular basis to ensure sufficient funds are allocated to the improvement of information technology assets.

Legislative Implications

Nil

Risk Management

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

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Interruption to service	Unauthorised release of, amendment to, use of, loss of, and/or loss of access to corporate/confidential information.	Possible (3)	Moderate (3)	Moderate (5-9)	Audit confirmed adequate controls were in place and improvement suggestions are being acted upon.

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

Voting Requirements

Simple Majority

Officer Recommendation

That with respect to the Performance Audit - Physical Security of Server Room Assets Onslow, the Audit and Risk Management Committee recommends that Council,

1. Receives the Emerging Findings Letter.
2. Notes the Local Government Physical Security of Server Assets Performance Audit tabled in Parliament on 24 June 2024.

Committee Decision

Moved Cr K White

Seconded Cr M Lynch

That with respect to the Performance Audit - Physical Security of Server Room Assets Onslow, the Audit and Risk Management Committee recommends that Council,

- 1. Receives the Emerging Findings Letter.**
- 2. Notes the Local Government Physical Security of Server Assets Performance Audit tabled in Parliament on 24 June 2024.**
- 3. Instructs the Chief Executive Officer to undertake an audit of access controls to the Tom Price server room and provide a report to the next Audit and Risk Management Committee meeting.**

For: A Smith, K White, M Lynch and A Sullivan

Against: Nil

Carried 4/0

Reason for change:

To provide assurance to the Committee that sufficient access controls are in place for the Tom Price server room.

Cr R De Pledge entered the meeting at 8:59am.

C McGurk, Director Community Development entered the meeting at 8:59am.

6.3 Bushfire Risk Management Plan

File Reference	ES23
Applicant or Proponent(s)	Not Applicable
Author	P Kuhne, Manager Regulatory Services
Authorising Officer	J Sangster, Deputy Chief Executive Officer
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	<ol style="list-style-type: none"> 1. Bushfire Risk Management Plan 2. BRMP Appendix A LG Wide Controls 3. BRMP Appendix B Protected Species and Communities 4. BRMP Appendix C Communications Plan 5. BRMP Letter of Endorsement from OBRM

Report Purpose

The purpose of this report is to inform the Audit and Risk Management Committee (Committee) of the Shire of Ashburton Bushfire Risk Management Plan (BRMP) that has been prepared for the district, as provided and detailed in Attachments 1 to 4.

The Committee is requested to support the BRMP as presented and recommend that Council that formally endorse the BRMP.

Background

The Shire of Ashburton (the Shire) does not currently have a BRMP to support it in mitigating the risk of bushfire across the Shire to protect community, property and critical infrastructure.

The Office of Bushfire Risk Management (OBRM) manages the Bushfire Risk Management System, which the Shire has access to. It allows the Shire to document and monitor bushfire risk, vulnerable areas, and the results of mitigation activities. A requirement for the Shire to have access to this system is to have a BRMP.

The Shire engaged a subject matter expert to assist with the development of a BRMP. The OBRM funded and partnered with the Western Australian Local Government Association (WALGA) to employ a Bushfire Risk Planning Coordinator to assist the Shire to develop a BRMP for the district.

It has taken 12 months of stakeholder consultation and research to develop and complete a comprehensive BRMP for the Shire for presentation to Council for final endorsement.

Comments

The development of the BRMP has not impacted the Shire financially as it has been funded and supported by the OBRM and WALGA. Shire staff have provided input in line with operational requirements.

The BRMP developed, records land ownership across the Shire and identifies bushfire risk management by the landowners. This allows the Shire to determine risk and identify appropriate mitigation activities to protect community, property, and critical infrastructure from bushfires.

Endorsement of the BRMP opens an opportunity for the Shire to apply for future funding from the OBRM for eligible mitigation projects on land the Shire is responsible for.

The BRMP records what the bushfire risk is across the Shire, who is the responsible landowner and facilitate a coordinated and collaborative approach to mitigating the risk.

Consultation

Appendix C of the BRMP is the Communication Plan for bushfire risk management. It prescribes who the stakeholders are, and how they have or will be consulted.

Shire officers have consulted with the following for input into the BRMP:

1. Department of Fire and Emergency Services (DFES), through the OBRM and the DFES Pilbara Regional Office.
2. Department of Biodiversity, Conservation and Attractions (DBCA) through the DBCA Pilbara Regional Office, concerning Karijini National Park and Barrow Island.
3. Chevron in relation to their Wheatstone project.
4. The Shire's Local Emergency Management Committee's (LEMCs).

Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	3. Prosperity - We will advocate and drive opportunities for the community to be economically desirable, resilient, and prosperous.
Strategic Outcome	3.3 Clean, safe, and accessible communities
Strategy	2 Review and maintain Local Emergency Management Arrangements for the community.

Council Policy

[Council Policies » Shire of Ashburton](#)

Nil

Financial Implications

Current Financial Year

Nil

Future Financial Year(s)

Future funding may be requested to support funding applications for identified and eligible bushfire mitigation activities within the Shire.

Legislative Implications

The *Bush Fires Act 1954* governs how local government is to manage its bushfire risk and the BRPM developed supports the Shire's legislative responsibility for managing bushfire risk.

Risk Management

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

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Interruption to service	If the Shire does not endorse this plan to mitigate bushfire risk, it may be impacted by bushfires that disrupts services and impacts people, property and critical infrastructure.	Possible (3)	Moderate (3)	Moderate (5-9)	Implement this plan to mitigate the risk of bushfire to the Shire. The Shire already supports a volunteer bushfire brigade, undertakes firebreak development and inspections to mitigate the risk.

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

Voting Requirements

Simple Majority

Officer Recommendation

That with respect to the Bushfire Risk Management Plan, the Audit and Risk Management Committee recommend that Council,

1. Endorse the Bushfire Risk Management Plan, as detailed in Attachments 1 to 4; and
2. Authorises the Chief Executive Officer to sign the Bushfire Risk Management Plan on behalf of Council, to confirm Council's endorsement.

Committee Decision

Moved Cr K White

Seconded Cr M Lynch

That with respect to the Bushfire Risk Management Plan, the Audit and Risk Management Committee recommend that Council,

- 1. Endorse the Bushfire Risk Management Plan, as detailed in Attachments 1 to 4; and**
- 2. Authorises the Chief Executive Officer to sign the Bushfire Risk Management Plan on behalf of Council, to confirm Council's endorsement.**

For: A Smith, K White, R De Pledge, M Lynch and A Sullivan

Against: Nil

Carried 5/0

M Younger, Manager Information Services entered the meeting at 9:06am.

7 Confidential Matters

Procedural Motion

Moved Cr K White

Seconded Cr A Sullivan

That Council move behind closed doors at 9:12am, pursuant to clause 6.2 of the *Shire of Ashburton Standing Orders Local Law 2012* to consider the following confidential item:

8.1 Wittenoom Claims Update.

Pursuant to sub section 5.23(2)(c) of the *Local Government Act 1995* which provides:

(b) the personal affairs of any person.

For: A Smith, K White, R De Pledge, M Lynch and A Sullivan

Against: Nil

Carried 5/0

7.1 Wittenoom Claims Update

File Reference	LS34
Applicant or Proponent(s)	Not Applicable
Author	D Kennedy, Director Corporate Services
Authorising Officer	D Kennedy, Director Corporate Services
Previous Meeting Reference	Audit and Risk Committee Meeting 20 February 2024 - Item 8.1
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	Nil

Reason for Confidentiality

Section under the Act	<i>This matter is to be considered behind closed doors pursuant to s.5.23(2)(b) of the Local Government Act 1995 as the subject matter relates to:</i>
Sub-clause and Reason:	<i>“s.5.23(2)(b) the personal affairs of any person.”</i>

Report Purpose

This item provides a summary of open, resolved and new claims since the last Wittenoom claims update which was provided to the Audit and Risk Management Committee on 20 February 2024.

The Audit and Risk Management Committee is requested to receive the Wittenoom claims update.

Voting Requirements

Simple Majority

Committee Decision

Moved Cr K White

Seconded Cr M Lynch

That with respect to the Wittenoom Claims Update, the Audit and Risk Management Committee recommends to Council that, the update be received.

For: A Smith, K White, R De Pledge, M Lynch and A Sullivan

Against: Nil

Carried 5/0

Carried 5/0