UNCONFIRMED MINUTES

Audit and Risk Committee Meeting
Tuesday, 6 December 2022

Date: Tuesday, 6 December 2022

Time: 3.00pm

Location: Council Chambers, York Town Hall, York

Order Of Business

MINUTES OF SHIRE OF YORK
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, YORK TOWN HALL, YORK
ON TUESDAY, 6 DECEMBER 2022 AT 3.00PM

1   OPENING

1.1   Declaration of Opening

Cr Denese Smythe, Presiding Member, declared the meeting open at 3.00pm.

1.2   Acknowledgement / Disclaimer

The Presiding Member advised the following:

"The York Shire Council acknowledges the Ballardong people of the Noongar Nation who are the Traditional Owners of this country and recognise their continuing connection to land, water, sky and culture. We pay our respects to all these people and their Elders past, present and emerging.

This meeting is being recorded on a digital audio device to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of York Local Government (Council Meetings) Local Law 2016 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of the Audit & Risk Committee without the written permission of the presiding member.

I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today, can be revoked, pursuant to the Local Government Act 1995.

Therefore members of the public should not rely on any decisions until formal notification in writing has been received. Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material."

1.3   Attendance via Electronic Means

Nil

1.4   Standing Orders

Nil

1.5   Announcement of Visitors

Nil

1.6   Declarations of Interest that Might Cause a Conflict

Nil

1.7   Declaration of Financial Interests

Cr Smythe - Appointment of an External Member Representative to the Audit and Risk Committee

Cr Trent - Appointment of an External Member Representative to the Audit and Risk Committee

1.8   Disclosure of Interests that May Affect Impartiality

Cr Heaton - Appointment of an External Member Representative to the Audit and Risk Committee

2   ATTENDANCE

2.1   Members

Cr Denese Smythe, Presiding Member; Cr Denis Warnick; Cr Pam Heaton; Cr Kevin Trent; Mr Peter Carden

2.2   Staff

Chris Linnell, Chief Executive Officer; Alina Behan, Executive Manager Corporte & Community Services; Sinead McGuire, Executive Manager Infrastructure & Development Services; Vanessa Green, Council & Executive Support Officer

2.3   Apologies

Nil

2.4   Leave of Absence Previously Approved

Nil

2.5   Number of People in the Gallery at Commencement of Meeting

There were zero (0) people in the Gallery at the commencement of the meeting.

3   QUESTIONS FROM PREVIOUS MEETINGS

Nil

4   PUBLIC QUESTION TIME

Public Question Time is conducted in accordance with the Act and Regulations. In addition to this the Shire's *Local Government (Council Meetings) Local Law 2016* states –

6.7 Other procedures for question time for the public

(1)   A member of the public who wishes to ask a question during question time must identify themselves and register with a Council Officer immediately prior to the meeting.

(2)   A question may be taken on notice by the Council for later response.

(3)   When a question is taken on notice the CEO is to ensure that—

(a)   a response is given to the member of the public in writing; and
(b)   a summary of the response is included in the agenda of the next meeting of the Council.

(4)   Where a question relating to a matter in which a relevant person has an interest is directed to the relevant person, the relevant person is to—

(a)   declare that he or she has an interest in the matter; and
(b)   allow another person to respond to the question.

(5)   Each member of the public with a question is entitled to ask up to 2 questions before other members of the public will be invited to ask their questions.

  (6) Where a member of the public provides written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.

  (7) The Presiding Member may decide that a public question shall not be responded to where—

    (a) the same or similar question was asked at a previous meeting, a response was provided and the member of the public is directed to the minutes of the meeting at which the response was provided;

    (b) the member of the public uses public question time to make a statement, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement as a question; or

    (c) the member of the public asks a question that is offensive or defamatory in nature, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the question in a manner that is not offensive or defamatory.

  (8) A member of the public shall have 2 minutes to submit a question.

  (9) The Council, by resolution, may agree to extend public question time.

  (10) Where any questions remain unasked at the end of public question time they may be submitted to the CEO who will reply in writing and include the questions and answers in the agenda for the next ordinary Council meeting.

  (11) Where an answer to a question is given at a meeting, a summary of the question and the answer is to be included in the minutes.

Public Question Time commenced at 3.03pm.

4.1 Written Questions – Current Agenda

Nil

4.2 Public Question Time

Nil

As there were no questions asked, Public Question Time concluded at 3.03pm.

5 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6 PRESENTATIONS

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RECOMMENDATION

Moved: Cr Kevin Trent   **Seconded: Cr Pam Heaton**

That the minutes of the Audit and Risk Committee Meeting held on 13 September 2022 be confirmed as a correct record of proceedings.

                               CARRIED: 5/0

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8   ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

9 OFFICER'S REPORTS

Disclosure of Interest – Cr Smythe – Financial – Appointment of an External Member Representative to the Audit and Risk Committee

Cr Smythe read the Financial Declaration - … With regard to Appointment of an External Member Representative to the Audit and Risk Committee the matter in Item 9.1 I disclose that I have Financial Interest in the matter as one of the applicants does my tax and I will leave the meeting.

At 3:04pm, Cr Denese Smythe left the meeting. Cr Warnick, Deputy Shire President, assumed the Chair.

Disclosure of Interest – Cr Trent – Financial – Appointment of an External Member Representative to the Audit and Risk Committee

Cr Trent read the Financial Declaration - … With regard to Appointment of an External Member Representative to the Audit and Risk Committee the matter in Item 9.1 I disclose that I have Financial Interest in the matter as one of the applicants prepares my taxation returns and I will leave the meeting.

At 3:05pm, Cr Kevin Trent left the meeting.

Disclosure of Interest – Cr Heaton – Impartial – Appointment of an External Member Representative to the Audit and Risk Committee

Cr Heaton read the Impartiality Declaration - … With regard to Appointment of an External Member Representative to the Audit and Risk Committee the matter in Item 9.1 I disclose that I have an association with the applicant (or person seeking a decision). The association is via the Community Resource Centre connection as I am secretary on the Management Committee. As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.

9.1 APPOINTMENT OF AN EXTERNAL MEMBER REPRESENTATIVE TO THE AUDIT AND RISK COMMITTEE

File Number:	**4.4175**
Author:	**Vanessa Green, Council & Executive Support Officer**
Authoriser:	**Chris Linnell, Chief Executive Officer**
Previously before Council:	**22 June 2021 (140621)** **28 September 2021 (040921)** **23 November 2021 (331121)** **22 March 2022 (020322)** **27 September 2022 (100922)**
Disclosure of Interest:	**Nil**
Appendices:	**1. Applicant 1 - Confidential** **2. Applicant 2 - Confidential**

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

Review

PURPOSE OF REPORT

This report presents applications to the Audit and Risk Committee to consider the appointment of a second external member.

BACKGROUND

At its October 2020 Ordinary Meeting Council considered the membership of the Committee and resolved, in part, that the Chief Executive Officer be requested to prepare a report that would include independent members onto the Committee.

At its May 2021 Concept Forum Council were presented with an update on the report and the proposal to include external, independent members on the Committee. The general direction given by Council was to proceed with the process. Therefore, Officers developed documentation to include:

- Expression of Interest (EOI)
- EOI Advertisement
- EOI Application Form
- Review of Terms of Reference (ToR)

That documentation was presented to Council at its June 2021 Ordinary Meeting where Council resolved (140621):

"That, with regard to the Audit & Risk Committee - Review of Terms of Reference and External Representation, Council:

1. Adopts the Terms of Reference, as presented in Appendix 1.

2. Requests the Chief Executive Officer to conduct an advertising process of not less than 14 days calling for expressions of interest from suitably qualified and skilled persons to be appointed as external representatives to the Shire of York Audit & Risk Committee, utilising the documentation presented in Appendix 2.

3. Requests the Chief Executive Officer to present all applications received to the next available meeting of the Audit & Risk Committee for consideration and recommendation to Council.

4. Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the documentation prior to publication."

Subsequently, Local Public Notice calling for EOIs was published from 1 July 2021 with the closing date for applications being Thursday 29 July 2021. Three requests for the EOI documentation were received and following the close of applications, two (2) applications had been submitted. One of the applicants withdrew their application for personal reasons, leaving one (1) application received.

The application was presented to the Committee at its September 2021 Meeting, with the recommendation subsequently considered by Council at its September 2021 Meeting where it resolved (040921):

"That, with regard to the Minutes of the Audit & Risk Committee Meeting held on 7 September 2021, Council:

1. Receives the minutes of the Audit & Risk Committee Meeting held on 7 September 2021, as presented in Appendix 1, and adopts the following recommendations of the Committee:

    (a) Selects Mr Peter Carden as the proposed external member of the Audit & Risk Committee, noting the appointment of the external Audit & Risk Committee

member will be formally determined by Council at its Ordinary Council Meeting on 23 November 2021 following the 2021 Ordinary Elections.

(b)   *Receives the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis and requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee in March 2022."*

In accordance with point 1(a) of the resolution, Council considered the appointment of Mr Carden at its November 2021 Meeting where it resolved (331121):

"That, with regard to the Appointment of Delegates to Council Committees, and in accordance with Section 7.1A of the Local Government Act 1995, Council:

1.   *Appoints Cr Denese Smythe, Cr Denis Warnick and Cr Kevin Trent to the Shire of York Audit and Risk Committee, with all other Councillors appointed as Deputies.*

2.   *Appoints Mr Peter Carden as the external member of the Audit and Risk Committee.*

3.   *Requests the Chief Executive Officer to conduct an advertising process of not less than 14 days calling for expressions of interest from suitably qualified and skilled persons to be appointed as the second external representative to the Shire of York Audit & Risk Committee, utilising the documentation previously developed.*

4.   *Requests the Chief Executive Officer to present all applications received to the March 2022 meeting of the Audit & Risk Committee for consideration and recommendation to Council.*

5.   *Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the documentation prior to publication."*

In accordance with point 3 of the above resolution Local Public Notice calling for EOIs was published from 3 December 2021 with the closing date for applications being 12pm WST Friday 28 January 2022. The advertising consisted of a notice in the York & District Community Matters, on the Shire's website, noticeboards and via social media.

During the advertising period there were no requests for the application package and at the close of applications, none had been received. At its March 2022 Meeting Council again considered the matter and resolved (020322):

"That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meetings held on 8 February 2022 and 8 March 2022, Council:

1.   *Receives the Confirmed Minutes of the Audit and Risk Committee Special Meeting held on 8 February 2022, as presented in Appendix 1, noting the recommendations were dealt with at Council's Special Meeting held on Tuesday 15 February 2022.*

2.   *Receives the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 8 March 2022, as presented in Appendix 2, and adopts the following recommendations of the Committee:*

    a.   *Notes the progress made to date regarding the actions contained in the Risk Register.*

    b.   *Requests the Chief Executive Officer to report progress against the Risk Register quarterly to the Audit and Risk Committee.*

    c.   *Receives the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis.*

    d.   *Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee in September 2022.*

    e.   *Adopts the completed 2021 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.*

f.   Requests the Chief Executive Officer to submit the 2021 Compliance Audit Return to the Departmental CEO of the Department of Local Government, Sport and Cultural Industries prior to 31 March 2022 in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.

g.   Resolves not to advertise for a second External Member of the Audit and Risk Committee at this time.

h.   Requests the Chief Executive Officer to readvertise for an external member in six (6) months' time and report back within nine (9) months to the following Audit and Risk Committee Meeting.

3.   Notes the Mid Year Budget Review will be further reviewed and presented to a future Special Audit and Risk Committee Meeting then to Council for consideration before the end of April 2022."

In accordance with point 2(h) of Council's March 2022 resolution an EOI was advertised via the Shire's website, Facebook, notice boards and in the September 2022 edition of the York & District Community Matters with a closing date of Friday 30 September 2022.

The Committee and Council were presented with an update on the status of the appointment of a second external representative at the September Meetings where Council resolved (100922):

"That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meeting held on 13 September 2022, Council:

1.   Receives the Unconfirmed Minutes of the Audit and Risk Committee (the Committee) Meeting held on 13 September 2022, as presented in Appendix 1, and adopts the following recommendations of the Committee:

a.   Resolves to receive the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis.

b.   Notes that Officers will review the current system and provide options for future reporting.

c.   Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee at its March 2023 Ordinary Meeting.

d.   Receives the Shire of York Risk Register Dashboard Report as at 31 August 2022.

e.   Notes the progress made to date regarding the actions contained in the Risk Register and that Officers will review the current system and provide options for future reporting.

f.   Requests the Chief Executive Officer to present the next review of the Risk Register to the Audit and Risk Committee at its December 2022 Ordinary Meeting.

g.   Notes that Expressions of Interest for an external representative to the Audit and Risk Committee are currently open with a closing date of Friday 30 September 2022.

h.   Notes that all applications received for external membership will be presented to the Audit and Risk Committee's December 2022 Meeting for consideration."

In accordance with point 1(h) of Council's September 2022 resolution the applications received are presented to the Committee for consideration.

COMMENTS AND DETAILS

Applicants were requested to provide a recent CV and a cover letter detailing:

1. Their background, experience and qualifications relevant to the Terms of Reference.

2. Any previous experience or involvement in local government, community organisations or committees.

3. The motivation for joining the committee.

Applicants were also required to address the following selection criteria:

1. Be a suitably experienced professional who can demonstrate a high level of expertise and knowledge in financial management, risk management, governance, legislative compliance, audit (internal and external), internal controls and assurance processes.

2. Have an understanding of the duties and responsibilities of the position, ideally with respect to local government financial reporting and auditing requirements.

3. Have strong communication skills.

4. Have relevant qualifications, skills and experience in providing independent audit advice, particularly on audit and risk committees.

5. Be a person with no operating responsibilities with the Shire nor provide paid services to the Shire either directly or indirectly.

External members would be appointed for a period of two (2) years, in line with the normal terms of office for Council. It is essential that applicants can commit to the term of office and attend the meetings (preferably in-person) during that period. Section 5.11(1)(d) of the *Local Government Act 1995* states that a committee member's membership continues until the next ordinary elections day, being Saturday 21 October 2023.

At the close of applications, three (3) requests for the EOI documentation had been received and two (2) applications submitted.

Officers have reviewed the applications and provide the following comment:

TABLE 1.

Applicant	Comment
Applicant 1	Applicant has individually addressed each of the selection criteria and provided examples to demonstrate understanding and experience
Applicant 2	Applicant has not fully addressed selection criteria
	Last used as a creditor in February 2015 (not disclosed)

The Committee may wish to close the meeting to the public in accordance with Section 5.23(2)(b) of the *Local Government Act 1995* to discuss the applications in detail.

OPTIONS

The Committee has the following options:

Option 1:   The Committee could recommend that Council endorses Applicant 1 as the second external member to the Audit & Risk Committee and requests the Chief Executive Officer to notify Applicant 2 of the outcome.

Option 2:   The Committee could recommend that Council endorses Applicant 2 as the second external member to the Audit & Risk Committee and requests the Chief Executive Officer to notify Applicant 1 of the outcome

Option 3:   The Committee could recommend that Council endorses neither applicant as the second external member of the Audit & Risk Committee and requests the Chief Executive Officer to notify both applicants of the outcome.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Audit and Risk Committee Meetings

Council Concept Forums and Meetings

Executive Leadership Team

Community advertising period from 2 July 2021 to 29 July 2021

Community advertising period from 3 December 2021 to 28 January 2022

Community advertising period from 16 August 2022 to 30 September 2022

Strategic

Strategic Community Plan 2020-2030

Goal 5:   Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

E1   Code of Conduct – Council Members – Committee Members – Candidates

Financial

Section 5.100(1) of the *Local Government Act 1995* prohibits a person who is a committee member but who is not a council member or an employee to be paid a fee for attending any committee meeting. However, subject to an appropriate resolution of Council, upon submission of receipts, reimbursement of reasonable expenses in accordance with Section 5.100(2) of the *Local Government Act 1995* may be provided to the external representatives. Should that occur, an allocation for an amount considered suitable would need to be included in future annual budgets for that purpose. Such reasonable expenses would include travel, childcare, information technology/data as specified in Regulation 31 of the *Local Government (Administration) Regulations 1996*.

Legal and Statutory

Sections 5.10, 5.11 and 5.100 of the *Local Government Act 1995* are applicable and state:

"5.10.   Committee members, appointment of

(1)   A committee is to have as its members —

(a)   persons appointed* by the local government to be members of the committee (other than those referred to in paragraph (b)); and

(b)   persons who are appointed to be members of the committee under subsection (4) or (5).

* Absolute majority required.

(2)   At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.

(3)   Section 52 of the Interpretation Act 1984 applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the council.

(4)   If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.

(5)   If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish —

(a)   to be a member of the committee; or

(b)   that a representative of the CEO be a member of the committee,

the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee."

"5.11.   Committee membership, tenure of

(1)   Where a person is appointed as a member of a committee under section 5.10(4) or (5), the person's membership of the committee continues until —

(a)   the person no longer holds the office by virtue of which the person became a member, or is no longer the CEO, or the CEO's representative, as the case may be; or

(b)   the person resigns from membership of the committee; or

(c)   the committee is disbanded; or

(d)   the next ordinary elections day,

whichever happens first.

(2)   Where a person is appointed as a member of a committee other than under section 5.10(4) or (5), the person's membership of the committee continues until —

(a)   the term of the person's appointment as a committee member expires; or

(b)   the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or

(c)   the committee is disbanded; or

(d)   the next ordinary elections day,

whichever happens first.

5.100.   Payments for certain committee members

(1)   A person who is a committee member but who is not a council member or an employee is not to be paid a fee for attending any committee meeting.

(2)   Where —

(a)   a local government decides that any person who is a committee member but who is not a council member or an employee is to be reimbursed by the local government for an expense incurred by the person in relation to a matter affecting the local government; and

(b)   a maximum amount for reimbursement of expenses has been determined for the purposes of section 5.98(3)(b),

the local government must ensure that the amount reimbursed to that person does not exceed that maximum."

Section 7.1A of the *Local Government Act 1995* is also applicable and states:

"7.1A.   Audit committee

(1)   A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

(2)   The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.

* Absolute majority required.

(3)   *A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*

(4)   *An employee is not to be a member of an audit committee."*

Regulation 16 and 17 of the *Local Government (Audit) Regulations 1996* are applicable to the functions of an audit committee and state:

"16.   Functions of audit committee

An audit committee has the following functions —

(a)   *to guide and assist the local government in carrying out —*

(i)   *its functions under Part 6 of the Act; and*

(ii)   *its functions relating to other audits and other matters related to financial management;*

(b)   *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*

(c)   *to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —*

(i)   *report to the council the results of that review; and*

(ii)   *give a copy of the CEO's report to the council;*

(d)   *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*

(i)   *regulation 17(1); and*

(ii)   *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

(e)   *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*

(f)   *to oversee the implementation of any action that the local government —*

(i)   *is required to take by section 7.12A(3); and*

(ii)   *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*

(iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*

(iv)   *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

(g)   *to perform any other function conferred on the audit committee by these regulations or another written law.*

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 subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

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

Risk Related

The level of risk is reduced due to the provision of independent transparency and oversight with the appointment of two (2) external representatives to the Committee.

The Committee and Council will need to be satisfied that the external representatives are suitably skilled and qualified.

Workforce

The time to administer the Committee is managed within existing resources.

VOTING REQUIREMENTS

Absolute Majority: Yes

COMMITTEE RECOMMENDATION

Moved: Cr Pam Heaton   Seconded: Mr Peter Carden

That, with regard to the Appointment of an External Member Representative to the Audit and Risk Committee, the Audit and Risk Committee recommends to Council that it:

1.   **Appoints Applicant 1 as the second external representative of the Audit and Risk Committee, with the term ending at the October 2023 Local Government Elections.**

2.   **Requests the Chief Executive Officer to notify Applicant 2 of the outcome and thank them for their interest.**

CARRIED: 3/0

At 3:10pm, Cr Denese Smythe returned to the meeting and resumed the Chair.

At 3:10pm, Cr Kevin Trent returned to the meeting.

9.2   RISK MANAGEMENT UPDATE AS AT 28 NOVEMBER 2022

File Number:	4.4274
Author:	**Alina Behan, Executive Manager Corporate & Community Services**
Authoriser:	**Chris Linnell, Chief Executive Officer**
Previously before Council:	**28 June 2022 (020622)** **27 September 2022 (100922)**
Disclosure of Interest:	**Nil**
Appendices:	**1. Risk Dashboard** ⇩

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report provides the Audit and Risk Committee (the Committee) with an update regarding progress on the Shire's Risk Management.

BACKGROUND

The Shire of York's Risk Assessment and Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making

2. Clear identification of the roles and responsibilities of the risk management functions

3. An effective governance structure to support the Risk Management Framework

The Committee's role and responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework

2. Support Council to provide effective corporate governance

3. Oversight of all matters that relate to the conduct of external audits

4. Must be independent, objective and autonomous in deliberations

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible.

An internal Risk Working Group (RWG) has been formed to enable Officers from across the organisation to meet regularly and monitor the progress against the Risk Improvement Plan, Risk Management Framework and Register. Further, the RWG is responsible for implementation of timely and effective remedial measures to address risk management deficiencies.

This report presents an update of risks identified and addressed across the organisation for consideration and recommendation to Council. The Committee last considered the Risk Management Update at its September 2022 meeting which was endorsed by Council at its September 2022 Ordinary Meeting where it resolved (100922):

"That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meeting held on 13 September 2022, Council:

1. *Receives the Unconfirmed Minutes of the Audit and Risk Committee (the Committee) Meeting held on 13 September 2022, as presented in Appendix 1, and adopts the following recommendations of the Committee:*

   a. *Resolves to receive the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis.*

   b. *Notes that Officers will review the current system and provide options for future reporting.*

   c. *Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee at its March 2023 Ordinary Meeting.*

   d. *Receives the Shire of York Risk Register Dashboard Report as at 31 August 2022.*

   e. *Notes the progress made to date regarding the actions contained in the Risk Register and that Officers will review the current system and provide options for future reporting.*

   f. *Requests the Chief Executive Officer to present the next review of the Risk Register to the Audit and Risk Committee at its December 2022 Ordinary Meeting.*

   g. *Notes that Expressions of Interest for an external representative to the Audit and Risk Committee are currently open with a closing date of Friday 30 September 2022.*

   h. *Notes that all applications received for external membership will be presented to the Audit and Risk Committee's December 2022 Meeting for consideration."*

In accordance with point 1f of Council's September 2022 resolution, the Register is presented to the Committee for consideration.

COMMENTS AND DETAILS

The RWG meets regularly to review and update the risk register and prioritise actions considering potential organisational opportunities and the adverse effects that could result. The RWG monitors these risks so that organisational objectives can be achieved considering the Shire's appetite for risk.

A comprehensive RWG review of actions and controls was undertaken on both 9 November and 28 November 2022 and the risk dashboard updated accordingly. The dashboard report details a total of ninety-one (91) actions that are still in progress or ongoing or are new actions to be completed. The updated Risk Dashboard is presented in Appendix 1.

Engagement

The Community Scorecard is commissioned for the 2022/23 financial year. The survey will commence in February 2023 for presentation to Council in April 2023.

External Theft and Fraud/Misconduct

LGIS recently conducted a member survey on IT systems and support and presented members with the results outlining any vulnerabilities. The Shire will be meeting with its IT Provider to review the results and determine future actions.

Misconduct

The Fraud and Corruption Framework has been developed and is presented to the Committee for review as a separate item to this Agenda.

Supplier-Contract Management

The new project/contractor management suite of documentation was rolled out to relevant staff in two (2) training sessions in November 2022. This addresses the lack of project/contractor management processes and documentation listed as a significant finding identified by the Office of

the Auditor General in the 2020/21 Audit. Further training sessions will be conducted in December and again in the new year as appropriate.

New actions

The RWG continues to monitor the environment for changes that could result in the need for new actions to mitigate risks to the Shire. New actions identified in this quarter include:

- To continue to embed safety practices and processes into project work.

- Following the receipt of the Draft Interim Management letter from the Office of the Auditor General, a review of procurement segregation and delegations will occur to see whether additional measures can be put in place to further reduce opportunities for misconduct.

- Review levels of service with current IT providers.

- Review departmental responsibilities around security and assigning tasks appropriately.

- Review events processes and procedures to ensure adequate consideration of terrorism events in the planning process.

- Undertake a business planning process to ascertain the best value mechanism for developing/recording asset information.

- Develop the Intranet for staff access to all forms, documents and information so that only the most current versions are accessed.

- Map customer expectations for works including the action request process and look for improvements.

- Develop a coordinated approach to disseminating information to new and existing residents regarding waste and other environmental initiatives.

- Recent conversations with the WA Country Health Service have indicated Pioneer Memorial Lodge may require unplanned upgrades to meet building compliance.

- Once investigations and design work is complete, the agreed action to rectify damage at Mackie Siding may require significant unbudgeted expenditure and result in the delay of other planned projects.

Ongoing/Superseded Actions

The action to "Incorporate review of grants register into quarterly FACR processes" has been superseded by the action "To consider grants management as part of the new Government Frameworks reporting package".

Going Forward

Measures to address the COVID-19 State of Emergency will be removed from the register at this time as the State of Emergency has been lifted.

Implementation of the Government Frameworks Enterprise Resource Planning platform to monitor and track actions including Strategic Priorities, Risk, Project, Audit, Policies and Human Resources should result in better oversight of all risk items.

OPTIONS

The Committee has the following options:

Option 1: The Committee could recommend that Council requests the Chief Executive Officer to ensure all issues have been dealt with within a certain timeframe. However, Officers have focused on those issues that present the highest risk to the Shire for immediate action within current resources and will continue to work through the remaining issues on the same basis.

Option 2: The Committee could recommend that Council accepts the Shire of York Risk Register Dashboard Report as at 28 November 2022.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

LGIS

RWG

Office of the Auditor General

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

G19 Risk Assessment and Management

Financial

Financial implications of the proposed risk mitigation strategies are presented to Council as they emerge and inform the annual budget process.

Legal and Statutory

Regulation 17 of the *Local Government (Audit) Regulations 1996* is applicable and states:

*"**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 subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

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

Risk Related

The development and regular update of an organisational Risk Register is a risk management tool.

Workforce

It is proposed that risk mitigation actions are undertaken within current resources. Where additional resources are required, this will be identified and submitted as part of the annual budget process.

VOTING REQUIREMENTS

Absolute Majority: No

COMMITTEE RECOMMENDATION

Moved: Cr Kevin Trent   **Seconded: Mr Peter Carden**

That, with regard to the Risk Management Update as at 28 November 2022, the Audit and Risk Committee recommends that Council:

1. **Receives the Shire of York Risk Register Dashboard Report as at 28 November 2022, as presented in Appendix 1.**

2. **Notes the progress made to date regarding the actions contained in the Risk Register and that Officers will review the current system and provide options for future reporting.**

3. **Requests the Chief Executive Officer to present the next review of the Risk Register to the Audit and Risk Committee at its March 2023 meeting.**

CARRIED: 5/0

Shire of York
Risk Dashboard Report
November 2022

Asset Sustainability practices

	Risk	Control
	Moderate	Inadequate

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.

Actions	Due Date	Responsibility
Maintenance and repairs to be documented as part of AMP's to be redone	Oct-23	EMIDS
Develop asset replacement program for capital equipment and vehicles	Apr-23	EMIDS
Review Asset Management Plans and present to Council for noting	Jun-23	EMIDS
Develop and implement asset management processes	Jun-23	EMIDS
Prepare Asset Disposal Policy for adoption by Council	Jun-23	FM/EMIDS
Prepare designs to repair Mackie Siding	Jun-23	EMIDS

Business & Community disruption

	Risk	Control
	High	Adequate

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

Actions	Due Date	Responsibility
Staffing - Illness, Attraction & Retention	Ongoing	EMCCS
IT Disaster Recovery Testing	Aug-22	EMCCS

Failure to fulfil Compliance requirements (statutory, regulatory)

	Risk	Control
	Moderate	Adequate

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.

Actions	Due Date	Responsibility
Review the Risk Register quarterly	Ongoing	EMCCS
Undertake training for staff that includes refresher training on policies and procedures including changes to the Local Government Act.	Ongoing	EMCCS
Bushfire Compliance - WHS Procedures	Sep-22	EMIDS
Review and refresh Compliance Calendar and report to AARC	Jun-23	EMCCS
Increasing number of dog attacks and compliance issues. Ranger absence. Risk to Level of Service	Sep-22	EMIDS
DMIRS new requirements for asbestos reporting	Ongoing	EMIDS
Review building compliance for PML with WACHS	Jun-23	DSC

Document Management processes

	Risk	Control
	Moderate	Effective

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.

Actions	Due Date	Responsibility
Prepare project brief for records digitisation and disposal for consideration in 2023/24 budget	Mar-23	AGC
Develop a culture of good record-keeping	Ongoing	ELT
Develop succession planning strategies	Ongoing	EMCCS
iAuditor App being examined for storage and collection of WHS issues to promote ease of use and encourage compliance	Dec-23	EMIDS
Additional applications for compliance, WHS etc will dilute the 'one source of truth' record keeping system	Ongoing	AGC

Employment practices

	Risk	Control
	Moderate	Adequate

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

Actions	Due Date	Responsibility
Ensure annual budget allocation to subscribe to WALGA HR assistance services	Ongoing	EMCCS
Implement annual training program for staff that includes refresher training on policies and procedures	Ongoing	EMCCS
Review Workforce Plan - informed gap analysis project	Dec-22	EMCCS
Training needs identified as part of annual budget process	Ongoing	Executive & Supervisors
Complete Employee Manual for inclusion in employee inductions	Ongoing	ESQ/HR
Include Employee Assistance Program in Employee Manual	Ongoing	EMCCS

Engagement practices

	Risk	Control
	Low	Effective

Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.

Actions	Due Date	Responsibility
Implement the actions contained in the Disability Access & Inclusion Plan	Jun-22	EMCCS
Develop new Engagement Framework	Jun-23	EMCCS
Undertake Community Scorecard 2022/23	Jun-23	EMCCS

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Shire of York
Risk Dashboard Report
November 2022

Environment management

	Risk	Control
	Moderate	Adequate

Inadequate prevention, identification, enforcement and management of environmental issues.

Actions	Due Date	Responsibility
Conduct a recycling education program once new waste collection contract is signed	Jun-23	EHO
Develop a strategy to manage corrella control in the Shire of York	Ongoing	DSC/EHO
Develop and implement procedures for the use of hazardiour chemicals to include strategies for community consultation	Jun-23	EMIDS
Identification of new and review of current hockey stick locations for endangered flora on roadsides	Ongoing	EMIDS
Develop a coordinated approach to disseminating information to new and existing residents re: waste and other environmental initiatives	Ongoing	Ongoing

Errors, omissions & delays

	Risk	Control
	Moderate	Adequate

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.

Actions	Due Date	Responsibility
Implement a staff training program that includes refresher training on procurement	Ongoing	EMCCS
Review Procurement Policy and Procedures	Reinstated	FM
Works delayed by stock items	Ongoing	EMIDS
Undertake business planning to develop an asset register/recording system	Mar-23	EMIDS
Develop the Intranet for use of staff to display current documents and information	Jun-23	AGO
Mapping the customer expectations for works including action request process and looking for improvements	Jun-23	EMIDS

External theft & fraud (Including Cyber)

	Risk	Control
	High	Inadequate

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).

Actions	Due Date	Responsibility
Document clear internal processes and systems to report any potential fraud, that include anonymous reporting (Fraud & Corruption)	Jun-23	EMCCS
Investigate cashless operations at CFC facility	Jun-23	EMIDS
Review cybersecurity measures	Jun-23	EMCCS/FM
Review procedures and provide refresher training on cash handling	Mar-22	FM
Update register of users, key/toggle holders including access to depot	Ongoing	IT/P OAO
Review departmental responsibilities around security and assigning tasks appropriately	Jun-23	ELT

Management of Facilities / Venues / Events

	Risk	Control
	Low	Adequate

Failure to effectively manage the day to day operations of facilities, venues and / or events.

Actions	Due Date	Responsibility
Review of the Events procedures and processes to consider current risks such as terrorism	Jun-23	CPC
Booking forms to include details of Evacuation Plans for all facilities	Dec-23	EMIDS ESO/AGC
Events Committee to undertake desktop review of event management procedures	Ongoing	EEDO
Develop procedures for facility bookings and feedback - events especially	Ongoing	AGC/EMIDS ESO
Review signage for all venues giving consideration to the Access and Inclusion Audit	Ongoing	DSC/PMO
YRCC sharing of information with teams re bookings	Sep-22	EMCCS
Investigate online booking system to be integrated into Shire website for community bookings	Jun-23	AGC

IT or communication systems and infrastructure

	Risk	Control
	Moderate	Adequate

Disruption, financial loss or damage to reputation from a failure of information technology systems.
Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.

Actions	Due Date	Responsibility
Investigate and implement transition to new communications provider	Jun-19	IT/P
Improve levels of servie at Shire outstations (Museum, Pool, Depot, YRCC)	Jun-23	IT/P
Implement regular testing regime for effectiveness of IT Disaster Recovery Plan	Ongoing	IT/P
Hot water system leak in server room to be rectified	Ongoing	EMIDS
Review levels of service with the external IT providers	Ongoing	EMCCS

Misconduct

	Risk	Control
	Moderate	Effective

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority; which circumvent endorsed policies, procedures or delegated authority.

Actions	Due Date	Responsibility
Review Delegation Authority Register to ensure details of sub-delegations are accurate	Ongoing	AGC
Develop a Fraud and Corruption Framework for review every 2 years	Ongoing	ELT
Develop and implement a periodic fraud awareness training program for all staff	Ongoing	EMCCS
Undertake training for all staff on HR policies and procedures	Jun-19	EMCCS
Develop and implement an annual staff training program that includes refresher training in HR policies and procedures	Jun-19	EMCCS
Review cash handling procedures for outstations	Dec-22	FM
Review stocktaking procedures for minor plant and equipment, portable and attractive items	Feb-23	FM
Need to confirm validity of driver licences with implicated employees	Annual	EMCCS
Declarations of conflict of interest when staff attend meetings with contractors where they could influence the work.	Ongoing	EMIDS
Review of purchasing segregation and delegations after receipt of OAG Management letter	Jun-23	ELT

Shire of York
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						Declarations of conflict of interest when staff attend meetings with contractors where they could influence the work	Ongoing	EMIDS

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Project / Change management		Risk	Control
		Moderate	**Adequate**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

Actions	Due Date	Responsibility
Develop and implement procedures around Grants Management	Jun-23	FM/EMIDS
Incorporate review of grants register into quarterly FACR processes	Incomplete	FM/EMIDS
Implement new contractor/project management procedures and forms and train all relevant staff. Include this in annual refresher training	Jun-23	EMIDS
Financial risk in completing projects in time to acquit against grants	Dec-23	EMIDS

Safety and Security practices		Risk	Control
		Moderate	**Adequate**

Non-compliance with the Work Health and Safety Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.

Actions	Due Date	Responsibility
CCTV to be installed at all buildings	Jun-18	IT/P
Update Evacuation Plans for the Depot to include new security gates and undertake emergency exercise	Dec-22	EMIDS
Access register to be developed and maintained for Depot	Sep-22	OAO
Adopt WSH Policy and Safety Manuals for staff	Jun-23	EMCCS
MSDS for Depot missing - sheets and registser to be updated	Oct-22	SO
Undertake access and alarm upgrades at Administration, YRCC and Museum	Jun-23	EMIDS
Undertake Emergency Evacuation testing at all facilities	Dec-22	EMIDS
Front counter replacement to consider upgraded security measures	Jun-23	EMIDS
Mechanism for flagging aggressive customers and properties	Jun-23	ELT
Bushfire volunteer safety inductions and training	Oct-22	EMIDS ESO
Update procedure to reflect LGIS requirements for fire ground attendance	Oct-22	EMIDS ESO
Clarification from LGIS on private vehicle attendance to a fire ground	Oct-22	EMIDS ESO
Continue to embed safety practices and processes into project work	Jun-23	EMIDS
Undertake training in WSH policies	Ongoing	EMIDS

Supplier / Contract management		Risk	Control
		Moderate	**Adequate**

Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

Actions	Due Date	Responsibility
Seek explanations for non-compliance and provide information on PO before authorisation	Ongoing	ELT
Implement procedures for online contractor inductions	Dec-22	EMIDS
Implement regular monitoring of contracts register	Ongoing	EMIDS
Purchase orders need review to include terms and conditions to form a more comprehensive contract	Feb-22	FM

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Asset Sustainability practices | Nov-22

Risk Context

Failure or reduction in service of infrastructure assets, plant, equipment or machinery.
These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.

Areas included in the scope are;
-Inadequate design (not fit for purpose)
-Ineffective usage (down time)
-Outputs not meeting expectations
-Inadequate maintenance activities.
-Inadequate financial management and planning (capital renewal plan).
It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include;

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)
Outdated equipment	Unexpected breakdowns
Outdated Asset Management Plans	
Outdated Asset Management Framework	
Absence of Key Asset Documents (Plans etc.)	
Outdated Service Level Agreements	
Insufficient budget to maintain or replace assets	Portable attractive items inventory updates not completed

Key Controls	Type	Date	Rating
Procurement Process	Preventative	Nov-22	*Inadequate*
Disposal /Acquisition Process (Financial)	Preventative	Nov-22	*Inadequate*
Roads Routine Maintenance Program	Preventative	Nov-22	*Inadequate*
Plant Routine Maintenance Program	Preventative	Nov-22	*Adequate*
Buildings Routine Maintenance Program	Preventative	Nov-22	*Inadequate*
Asset Management Data Collection (RAMS and Finance)	Preventative	Nov-22	*Inadequate*
Asset replacement program (broad range of asset classes)	Preventative	Nov-22	*Inadequate*
Statutory requirements (licencing, etc) in place	Preventative	Nov-22	*Inadequate*
All maintenance and repairs are documented	Preventative	Nov-22	*Inadequate*
Reactive maintenance	Recovery	Nov-22	*Inadequate*
Insurance	Recovery	Nov-22	*Effective*
Equipment hire available if needed	Recovery	Nov-22	*Effective*
Training provided and qualifications updated.	Preventative	Nov-22	*Adequate*

	Overall Control Ratings:	*Inadequate*

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Yes	Yes	Yes	Yes	Procurement review underway
EMIDS	Partial	Partial	Partial	Yes	Yes	Finance has a disposal process in place - asset register. Policy needed. EEDO to pass info on to EMIDS/Finance
EMIDS	Yes	Partial	Partial	Yes	Yes	
WS	Yes	Partial	Yes	Yes	Yes	Plant replacement program being developed
DSC / PMO	Partial	Partial	Yes	Yes	Yes	No routine maintenance program however when rental inspections are carried out, a list of maintenance jobs is created. Plan needed. Building asset management
ETO	Partial	Yes	Yes	Partial	Yes	Training needs to be updated.
EMIDS	Partial	Partial	Partial	Yes	Yes	Asset management processes incomplete
IT/P	Yes	Yes	Yes	Yes	Yes	
EMIDS	Yes	Partial	Partial	Yes	Yes	Documented through finance processes / action requests. Need to be registered.
TSO	Yes	Yes	Yes	Yes	Yes	As soon as maintenance issue is reported a P/O is completed
IT/P	Partial	Yes	Yes	Partial	Yes	Claims not always submitted to Payroll Officer
EMIDS	Yes	Yes	Yes	Yes	Yes	
EMCCS / FM	Yes	Partial	Yes	Partial	Partial	Training identified as part of annual budget process. Need training regarding procurement and portable items, Maintenance and repairs.

Actions	Due Date	Responsibility
~~Training needs submitted to 2019/20 Budget process~~	~~Mar-19~~	~~EMIDS~~
~~Develop annual training program for staff that includes refresher training in procurement~~	~~Jun-19~~	~~EMCCS~~
~~Review Asset Management Plans and submit for adoption by Council~~	~~Jun-19~~	~~ETO~~
~~Develop and implement procedure for submitting insurance claims~~	~~Dec-19~~	~~IT/P~~
~~Undertake building risk assessments in consultation with LGIS~~	~~Dec-19~~	~~DSC/TSO/PMO~~
Maintenance and repairs to be documented as part of AMP's to be redone	Oct-23	EMIDS
Develop asset replacement program for capital equipment and vehicles	Apr-23	EMIDS
Develop and implement asset management processes	Jun-23	EMIDS
~~Formalise Asset Disposal Process~~	~~Complete~~	~~EMIDS~~
~~Develop and implement Insurance Claims Checklist~~	~~Complete~~	~~IT/P~~
~~Open Space Asset Management Plan to be prepared~~	~~Complete~~	~~EMIDS~~
Review Asset Management Plans and present to Council for noting	Jun-23	EMIDS
Prepare Asset Disposal Policy for adoption by Council	Jun-23	FM/EMIDS
Prepare designs to repair Mackie Siding	Jun-23	EMIDS

Status of Actions	Comments
Complete	
Complete	
Complete	Submitted to June OCM.
Complete	Circulated by Matthew
Complete	Now that asset management plans have been adopted.
Not Started	Will commence once AMPs received
Not Started	Not yet commenced, to be undertaken by new Graduate Engineer - Asset Management as part of their training
Not Started	Formal processes not yet commenced
Complete	
Complete	
In progress	Presented to ELT 19 August 2022
In progress	Transport Asset Management Plan in progress, Open Space Asset Management Plan complete. Buildings Asset Management Plan to be sent to market, delayed due to staff unavailability.
Not Started	Draft to be presented to AARC 22/23
In progress	Once investigations and design work is complete the agreed action to rectify damage at Mackie Siding may require significant unbudgeted expenditure and result in the delay of other planned projects.

Consequence Category	Risk Ratings	Rating
	Consequence:	*Minor (2)*
Financial / Reputational	*Likelihood:*	*Possible (3)*
	Overall Risk Ratings:	*Moderate*

Business & Community disruption — Nov-22

Risk Context

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

This includes;
- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training for specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc
- This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include;

Cyclone, storm, fire, earthquake, flooding	Extended utility outage (electricity, communications etc.)
Terrorism / sabotage / criminal behaviour	Economic Factors
Epidemic / Pandemic	Loss of key staff
Loss of suppliers	Loss of key infrastructure

Key Controls	Type	Date	Rating
Functional Local Emergency Management Arrangements (LEMA)	Preventative	Nov-22	Effective
Bushfire Risk Management Program	Preventative	Nov-22	Effective
Volunteer management & training (Volunteer inductions TBC)	Preventative	Nov-22	Adequate
Community recovery preparation	Preventative	Nov-22	Inadequate
Community fire prevention education	Preventative	Nov-22	Effective
Business Continuity Framework (Policy, Procedures & Plans)	Preventative	Nov-22	Effective
Internal Emergency Management Plan (Emergency Management Procedures and Evacuation Plans)	Preventative	Nov-22	Inadequate
Generator	Recovery	Nov-22	Inadequate
I.T. Disaster Recovery Plan	Recovery	Nov-22	Effective

| | | | | **Overall Control Ratings:** | Adequate |

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
CESM	Yes	Yes	Yes	Yes	Yes	
CESM	Yes	Yes	Yes	Yes	Yes	
EMIDS	Yes	Yes	Yes	Yes	Yes	
EMIDS	Yes	Yes	Yes	Yes	Yes	
EMIDS	Yes	Yes	Yes	Yes	Yes	
IT/P	Yes	Partial	Yes	Yes	Yes	As part of IT Security Plan, Needs work
DSC	Partial	Partial	Partial	Partial	Yes	Training to be undertaken. Equipment now. Changes to be reviewed.
EMIDS	No	No	No	No	Yes	The Shire does not own a generator for Town Hall - Emergency services
IT/P	Yes	Yes	Yes	Yes	Yes	

Actions	Due Date	Responsibility
Undertake an emergency evacuation drill	Complete	TSO
Develop and document a Business Continuity Framework	Complete	EMCCS
Finalise and implement IT Security Plan	Complete	IT/P
Engage a BRMPC 4 days per fortnight to develop a BRMP	Complete	BRMPC
Distribute and seek feedback from staff regarding Business Continuity Framework	Jun-19	IT/P
Assign funding in the budget to purchase a generator	Superseded	EMIDS
Schedule testing of IT Security Plan and Business Continuity Framework procedures for effectiveness	Complete	IT/P
Develop organisational Business Continuity Plan in consultation with LGIS	Dec-20	EMCCS
Investigate the installation of infrastructure to facilitate hire of a generator in the event of an emergency	Superseded	DSC
Arrange replacement of UPS and Server	Complete	IT/P
Review IT Disaster Recovery Plan	Complete	IT/P
Covid Work Plan	Ongoing	EMCCS
Staffing - Illness, Attraction and Retention	Ongoing	EMCCS
IT Disaster Recovery Testing	Aug-23	EMCCS

Status of Actions	Comments
Complete	Action plan developed and being implemented.
Complete	As part of IT Security Plan
Complete	Security Plan developed. New IT Service Provider engaged.
Complete	BRMPC engaged. Plan developed and submitted to Council. Works in progress.
Complete	No comments received - commence testing phase
Not progressed - superseded	Due to changeover in EMIDS.
Complete - test successful	Process to be managed by IT Provider
Complete	Completed Dec 2021 presented to AARC March 2 2021 and OCM March 23
To be commenced	Review to fit into org BCP
Complete	Server and UPS at end of life - to be replaced prior to implementation of Altus Payroll, Procurement and Records
To be commenced	COVID BCP prepared and adopted - wider BCP completed, Review still required
Complete	Adjusts in accordance with State Government Mandates
Ongoing	Recruitment and marketing processes under review to provide attraction. Housing Strategy to be developed to support key staff. Flexible Working Policy to be developed to capture offerings already in place to demonstrate to potential employees the value of working at the Shire. Wellness initiatives being included in recruitment advertisements. Advertising of internal secondment and higher duties opportunities.
Ongoing	Latest test conducted 26 August 22. Altus products cannot be tested in the sandpit environment. Scheduling further testing in live environment. Action reset to 2023 for yearly action. Focus Networks contacted re: testing for live sessions.

Consequence Category	Risk Ratings	Rating
Service Interruption / Reputation	Consequence:	Moderate (3)
	Likelihood:	Likely (4)
	Overall Risk Ratings:	High

Failure to fulfil Compliance requirements (statutory, regulatory)　　　　Nov-22

Risk Context

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.

It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices).

Potential causes include;

Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff / Councillor Turnover/Vacancies and General Resourcing	No Compliance Officer or person responsible for Compliance oversight and enforcement
Inadequate record keeping/ failure of corporate electronic systems	Breakdowns in the tender or procurement process
Ineffective policies & processes	Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Rating
Compliance framework / calendar	Preventative	Nov-22	Inadequate
'Advice' monitoring (subscriptions & memberships)	Preventative	Nov-22	Effective
Annual Compliance Return	Detective	Nov-22	Effective
Standardised forms & check sheets (Compliance)	Preventative	Nov-22	Adequate
State Administrative Tribunal / Ombudsman	Recovery	Nov-22	Adequate
Record-keeping	Preventative	Nov-22	Inadequate
FMR and Audit Reg 17 Reviews undertaken by independent auditor	Detective	Nov-22	Effective
Risk and WHS Working Group	Detective	Nov-22	Adequate
Overall Control Ratings:			**Adequate**

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Partial	Yes	Yes	Yes	Presented to Audit Ctee 050319
CEO	Yes	Yes	Yes	Yes	Yes	Annual budget allocation for memberships
EMCCS	Yes	Yes	Yes	Yes	Yes	Completed on time and with accuracy
AGC	Yes	Partial	Yes	Partial	Yes	On-going process of development
CEO	Yes	Partial	Yes	Partial	Yes	Legislated. Informal process.
AGC	Yes	Yes	Yes	Partial	Yes	State Records Act 2000
EMCCS	Partial	Yes	Yes	Yes	Yes	A budget allocations submitted to budget process.
EMCCS	Yes	Yes	Yes	Partial	Yes	Group established and meets bi-monthly. OSH working group to be established.

Actions	Due Date	Responsibility
Develop a Compliance Policy	Complete	EMCCS
Develop an Internal Control Policy	Complete	EMCCS
Amend Code of Conduct to require alleged breaches to be reported to the CEO.	Complete	EMCCS
Establish and maintain a risk register	Ongoing	EMCCS
Complete Compliance Calendar	Complete	EMCCS
Address risks outlined in Financial Management Review	Complete	FM
Develop a process for internal audit.	Jun-19	EMCCS
Include documentation of procedures as a KPI for all staff	Complete	Executive & Supervisors
Review the Risk Register quarterly	Ongoing	EMCCS
Undertake training for staff that includes refresher training on policies and procedures including changes to the Local Government Act.	Ongoing	EMCCS
Establish an OSH Working Group separate to Risk Working Group	Complete	EMIDS
Undertake training for elected OSH Representatives.	Complete	EMIDS
Review and refresh Compliance Calendar and report to AARC	Jun-23	EMCCS
Review structure of AARC in line with new LG Act	Complete	FM
Increasing number of dog attacks and compliance issues. Ranger absence. Risk to Level of Service	Jan-23	DSC
Bushfire Compliance - WHS Procedures	Ongoing	EMIDS
DMIRS new requirements for asbestos reporting	Ongoing	EMIDS
Review building compliance for PML with WACHS	Jun-23	DSC

Status of Actions	Comments
Complete	Policy adopted by Council in September 2017.
Complete	Policy adopted by Council in September 2017.
Complete	Code of Conduct amended and presented to the Risk & OSH Working Group.
On-going	Risk training undertaken and register established with input from staff. Risks identified in Reg17 Review incorporated in register and controls developed. Risk Placed on EMG weekly agenda.
Complete	Compliance calendar established and populated. To be moved to new Attain platform
Complete	All issues addressed. On-going process of documentation of procedures.
To be actioned	In 2018/19
Complete	Included in Performance Review Process undertaken in May.
On-going	June and December 2018 reports presented to Audit Committee
On-going	ELT met in August to prepare training program for 22/23
Complete	Complete
To be actioned	Training programs are irregular - to be arranged asap.
Ongoing	Attain software purchased and implemented for compliance forms such as annual declarations. Government Frameworks software package will be the register for all compliance items. The consultant has commenced implementing this software with the project team.
To be actioned	New LG Act not yet in place. Audit and Risk Committee interim structure to commence following October elections 2021
Current	The procurement of a contract ranger service attracted no submissions. Recruitment process underway for a split ranger role.
Ongoing	Compliance with WHS Act for volunteers. Stage one training and recording completed by end September 2022. Further training to be conducted in future years according to schedule.
To be actioned	Develop an awareness of new recording and reporting requirements for both staff and contractors (waste management).
New	

Consequence Category	Risk Ratings	Rating
Reputation, Compliance	Consequence:	Moderate (3)
	Likelihood:	Unlikely (2)
	Overall Risk Ratings:	**Moderate**

Document Management processes — Nov-22

Risk Context

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.

This includes:
-Contact lists.
-Procedural documents, personnel files, complaints.
-Applications, proposals or documents.
-Contracts.
-Forms or requests.

Potential causes include;

Incompatible systems	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed

Key Controls	Type	Date	Rating
Document receipt process (scanned, registered & dated)	Preventative	Nov-22	Effective
Documentation archival process	Preventative	Nov-22	Adequate
Records Management Policy / Processes / Manual	Preventative	Nov-22	Effective
Records Management Policy / Processes / Manual	Preventative	Nov-22	Effective
Document disaster recovery plan	Recovery	Nov-22	Adequate
Electronic records back up	Recovery	Nov-22	Effective
Induction Process includes records management training	Preventative	Nov-22	Effective
Policy review processes	Preventative	Nov-22	Inadequate
Exit process	Preventative	Nov-22	Inadequate

	Overall Control Ratings:	Effective

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
RO	Yes	Yes	Yes	Yes	Yes	Clear process implemented
AGC	Yes	Yes	Partial	Yes	Yes	Part of record keeping plan
AGC	Yes	Yes	Partial	Yes	Yes	Have commenced working on procedures
RO	Yes	Yes	Partial	Yes	Yes	Strategic Records management plan being developed
IT/P / RO	Yes	Yes	Yes	Yes	Yes	
IT/P	Yes	Yes	Yes	Yes	Yes	
RO	Yes	Yes	Yes	Yes	Yes	
IT/RO						

Actions	Due Date	Responsibility
More training for staff on records eg: entering & recording	Superseded	AGC
Develop annual training program for staff that includes refresher training on records	Jun-19	EMCCS
Undertake training for records management	Complete	AGC
Develop Records Management Strategic Plan	Complete	AGC
Address the need for more procedures to ensure staff accountability	Complete	AGC
Develop a culture of good record-keeping	Ongoing	ELT
Develop succession planning strategies	Ongoing	EMCCS
Review Social Media Strategy	Complete	AGC
Investigate software options for records digitisation and disposal	Complete	AGC
Update the Records Keeping / Management Plan	Complete	AGC
Prepare project brief for records digitisation and disposal for consideration in 23/24 budget	Mar-23	AGC
iAuditor App being examined for storage and collection of WHS issues to promote ease of use and encourage compliance	Dec-23	EMIDS
Additional applications for compliance, WHS etc will dilute the 'one source of truth' record keeping system	Ongoing	AGC

Status of Actions	Comments
On-going	Records training undertaken for general staff. Administrator training undertaken using SynergySoft. New employees are now inducted in records training eg: entering & recording.
Complete	
Ongoing	Included as part of annual training refreshers. FOI & Records Info Session conducted December 2019.
Complete	Completed February 2020
Complete	Records procedures documented and reviewed regularly. OS records reports distributed monthly to EMG and staff.
In progress	Included in all inductions. Annual return requirement to acknowledge compliance. Annual refresher training. Additional staffing identified for records to assist other departments.
Ongoing	Workforce Management Plan
Completed	Record keeping software to be purchased in 22/23 that captures social media records
Completed	Further investigation may be required based on ELT priorities and budget constraints
Complete	Aiming for December OCM
To be actioned	Delayed due to key staff long service leave
In progress	Investigating how this can be linked with the records system
Ongoing	Regular reminders through training. Check compatibility with new software and engage records team as a stakeholder in decision making

Consequence Category	Risk Ratings	Rating
Compliance / Reputation	Consequence:	Minor (2)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Employment practices   Nov-22

Risk Context

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

This includes:
- Not having appropriately qualified or experienced people in the right roles.
- Insufficient staff numbers to achieve objectives.
- Breaching employee regulations.
- Discrimination, harassment & bullying in the workplace.
- Poor employee wellbeing (causing stress).
- Key person dependencies without effective succession planning in place.
- Industrial activity.

Potential causes include;

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Key Controls	Type	Date	Rating
Induction process (including Code of Conduct Component)	Preventative	Nov-22	Adequate
Staff training and education program	Preventative	Nov-22	Inadequate
Performance Management (appraisals / reviews)	Preventative	Nov-22	Effective
Staff Exit process	Preventative	Nov-22	Inadequate
Workforce Planning	Preventative	Nov-22	Adequate
Employee Assistance Program & HR support	Recovery	Nov-22	Effective
Robust Recruitment Processes	Preventative	Nov-22	Effective
Advice and Support Available for General HR Matters	Preventative / Recovery	Nov-22	Adequate

| | | Overall Control Ratings: | Adequate |

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Yes	Yes	Yes	Yes	
EMCCS	Yes	Partial	Yes	Yes	Yes	
EMCCS	Yes	Yes	Yes	Yes	Yes	
EMCCS	Partial	Partial	Partial	No	No	
EMCCS	Yes	Yes	Yes	Yes	Yes	
EMCCS	Yes	Yes	Yes	Yes	Yes	
EMCCS	Yes	Yes	Yes	Yes	Yes	
EMCCS	Yes	Yes	Yes	Yes	Yes	Communication and training

Actions	Due Date	Responsibility
Complete Employee Manual for inclusion in employee inductions	Ongoing	ESO/HR
Include Employee Assistance Program process in Employee Manual.	Ongoing	EMCCS
Training needs identified as part of annual budget process	Ongoing	Executive & Supervisors
Develop and implement staff exit procedure	Dec-17	ESOCCS
Review Performance Management Process	Ongoing	EMCCS
Ensure annual budget allocation to subscribe to WALGA HR assistance services	Ongoing	EMCCS
Implement annual training program for staff that includes refresher training on policies and procedures	Ongoing	EMCCS
Update Uniform Policy with consideration to OSH	Complete	EMG
Review Workforce Plan - informed gap analysis project	Dec-23	EMCCS
Develop Heat Management Policy for staff consultation	Complete	EMIDS/OSH
Develop and implement improvements for internal communication	Complete	EMG
Implement OSH Management Plans	Complete	EMIDS/OSH
Induction process updated	Complete	ESO/HR
Update Employee Code of Conduct	Complete	EMCCS

Status of Actions	Comments
Under Review	Induction checklist developed. Employee Manual complete. A review of this manual is a KPI of the ESO/HR
In Progress	LGIS utilised for this service. Process not documented. To be included in new Employee Pack.
Ongoing	As part of annual budget process, RO's requested to identify training needs within each business area for inclusion in budget. Not all RO's responded in the first year. Performance appraisal process also includes discussion regarding training needs.
Complete	Checklist created for outgoing staff.
Complete	Procedure in place and implemented. RO's provided with training. A new process to be considered with Integrated Planning and Reporting tool.
Ongoing	2022/23 Budget includes allocation for subscription. WALGA HR services used extensively
Ongoing	Draft training program developed for 22/23. This will include HR practice and should include a review of procedures and policies.
Complete	Policy updated to address safety matters in consultation with OSH Working Group
In Progress	Workforce Plan last adopted April 2017 - Gap analysis has informed organisational realignment which is year one of new workforce plan. A Draft Equal Employment Opportunity Policy and Management Plan has been completed and will be presented to Council in September 22. Review of the Workforce Plan has been set as a KPI for the A/EMCCS. No work conducted during EMCCS absence. Target date of December reset to March 2023
Complete	
Complete	
Complete	
Complete	All new induction requirements are included in Induction forms and processes
Complete	

Consequence Category	Risk Ratings	Rating
	Consequence:	Moderate (3)
Compliance, Health, Reputational, Financial	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Engagement practices — Nov-22

Risk Context

Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.

For example;
- Following up on any access & inclusion issues
- Infrastructure Projects
- Local planning initiatives
- Strategic planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;

Relationship breakdowns with community groups	Short lead times lack of planning
Leadership inattention to current issues	Miscommunication / poor communication
Inadequate documentation or procedures	Inadequate Regional or District Committee attendance.
Lack of clarity around roles and responsibilities	
Budget / funding issues	Inadequate involvement with, or support of community groups

Key Controls	Type	Date	Rating
Community engagement framework (committees, forums & workshops)	Preventative	Jun-23	Effective
Social media management	Preventative	Nov-22	Effective
Support local Volunteer groups	Preventative	Nov-22	Inadequate
Community communications (public notices / local papers / website / message boards	Preventative	Nov-22	Effective
Complaints management process	Recovery	Nov-22	Effective
Community involvement in decision making	Preventative	Nov-22	Effective
Well developed job descriptions and clear communication around roles	Preventative	Jun-23	Adequate
Customer Service Charter	Preventative	Nov-22	Effective
		Overall Control Ratings:	Effective

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	Yes	Framework and policy adopted by Council.
CEO	Yes	Yes	Yes	Yes	Yes	
CEDO	Yes	Partial	Yes	Partial	Yes	No policy position other than the Community Grants Funding. Lot of work conducted around
CEO	Yes	Yes	Yes	Yes	Yes	
AGC	Yes	Yes	Yes	Yes	Yes	Policy adopted by Council and also included in Customer Service Charter. Training for staff
EMG	Yes	Yes	Yes	Yes	Yes	FB promotion / Community matters
ELT						
AGC	Yes	Yes	Yes	Yes	Yes	FB Promotion

Actions	Due Date	Responsibility
Develop and implement procedures to establish and maintain a FB page	Complete	CEO
Ensure timelines allow for appropriate communication of information, deadlines etc.	Complete	All staff
More training on the complaints policy and procedures	Superseded	All staff
Work with Wheatbelt Volunteer hub to increase service provision to support volunteer groups	Complete	EMCCS / CEDO
Develop an annual training program for staff that includes refresher training on the Customer Service Charter and Complaints Procedures	Jun-19	EMCCS / CEDO
Develop Statement of Business Ethics	Jun-19	EMCCS
Provide progress report on actions to date for 2020/21 budget	Complete	PO
Undertake Residents' Satisfaction Survey	Complete	EMG
Implement the actions contained in the Disability Access and Inclusion Plan	Jun-22	All staff
Develop new Engagement Framework	Jun-23	EMCCS
Undertake Community Scorecard 2022/23	Jun-23	EMCCS

Status of Actions	Comments
Complete	Market Creations engaged to manage FB and Instagram accounts. Allocation in 2018/19 budget.
Complete	Media deadlines distributed. Email reminders. Community Consultation and Engagement Plans developed for significant projects.
To be actioned	Complaints register maintained. Complaints Policy reviewed and adopted October 2016.
Complete	Proposal submitted to 2018/19 Budget process for a hub of WVN to be set up in York. Not considered a priority at this stage. YRCC Project Officer will assist clubs.
Complete	Incorporated into training with Marg Hemsley in March 2019
Complete	Developed as part of the Procurement Review and uploaded to website
In progress	Customer Service Area - all purchases completed
In progress	Original project timing incorrect - Survey conducted in June 21 with final report to Council in
In progress	Actions continuing. Front counter and CBD Accessibility Upgrades scheduled for 22/23
In progress	Engagement underway and new engagement processes being trialled such as Have Your Say Day
In progress	RFQ Commenced for provision of services for a two year period. Contractor appointed and questionnaire scheduled for review Nov/Dec 2022. Survey release date February 2023

Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	Minor (2)
	Likelihood:	Unlikely (2)
	Overall Risk Ratings:	Low

Environment management   Nov-22

Risk Context

Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;
-Lack of adequate planning and management of erosion issues.
-Failure to identify and effectively manage contaminated sites (including groundwater usage).
-Waste facilities (landfill / transfer stations).
-Weed & mosquito / Vector control.
-Ineffective management of water sources (reclaimed, potable)
-Illegal dumping.
-Illegal clearing / land use.

Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Lack of understanding of cultural requirements for landowners	
Prolific extractive industry (sand, limestone, etc.)	Competing land use (growing population vs conservation)

Key Controls	Type	Date	Rating
Environment management program	Preventative	Nov-22	*Adequate*
Community education & engagement e.g. schools / new home-owner packs	Preventative	Nov-22	*Inadequate*
Support volunteer environment management groups	Preventative	Nov-22	*Adequate*
Environmental monitoring, testing and inspection programs	Preventative	Nov-22	*Effective*
Encourage recycling efforts (glass, oil, batteries, etc.)	Recovery	Nov-22	*Adequate*
Clearing permits for road works obtained	Preventative	Nov-22	*Adequate*
Mosquito management program	Preventative	Nov-22	*Adequate*
RAP Working to inform education of landowners	Preventative	Nov-22	*Inadequate*
Standpipe water use education and regulation	Preventative	Nov-22	*Effective*
			Adequate

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EHO	No	Yes	Yes	Partial		Informal but not documented.
EHO	No	No	No	No		Social media promotion/Community matters/New home owner packs available but not well know. Have a pack for home builders. Coordinated approach needed.
EMIDS	No	Partial	Partial	Partial	Yes	May be a lack of awareness due to lack of education
EHO	Yes	Yes	Yes	Yes	Yes	
TSO	Yes	Yes	Yes	Yes	Yes	Controlled by Waste Transfer Station management. All households are encouraged to use their recycling bin. Mobile Muster for drop offs also at Shire office. As part of Waste management contract??? Garage sale trail.
DAO	No	Partial	Yes	Yes	Yes	Have attended Environmental Planning Tool training through WALGA. Have yet to complete a desktop assessment.
EHO	No	Yes	No	No	Yes	Mosquito spraying undertaken as required
						Not a holistic approach
FO Rates & Debtors	Yes	Yes	Yes	Yes	Yes	

Actions	Due Date	Responsibility
Develop and document process for road clearing permits	Complete	DAO
Currently looking into a mosquito program & purchasing a foggier.	Superseded	EHO
Undertake mosquito fogging on an as needs basis. Looking into purchasing fogger	Complete	EHO
Conduct a recycling education program once new waste collection contract is signed.	Jun-23	EHO
Develop a strategy to manage corella control in the Shire of York.	Ongoing	DSC/EHO
Develop and implement procedures for the use of hazardous chemicals to include strategies for community consultation	Jun-23	EMIDS
Undertake recruitment process for Containers for Change site	Complete	EMIDS
Implement regular street sweeping program to address bird droppings in CBD	Complete	EHO/EMIDS
Engage contractor to undertake pigeon culling	Complete	EHO
Identification of new and review of current hockey stick locations for endangered flora on roadsides	Ongoing	EMIDS
Develop a coordinated approach to disseminating information to new and existing residents re: waste and other environmental initiatives	Ongoing	EMIDS

Status of Actions	Comments
Ongoing	Contract is in place. EHO to consider options and formulate program
Ongoing	Research has been conducted into possible methods. Methods discussed with experts are to onerous for current resourcing. This is being investigated as a whole of Avon region response. Reactive measures still in place.
Not started	No evidence of this work commencing
Ongoing	Street sweeping is in place, supported with adjustments to starting hours and noise control. Pigeon excreta remains an issue where it is able to accumulate in large quantities on buildings. Specialist contractors are being engaged to conduct removal with regulations not dissimilar to the process for asbestos removal. Contractor coming early Sept
Ongoing	Reactive measures in place supported by budget for 22/23. This will continue into future years.
Ongoing	Identification of locations of endangered flora complete however this needs to be reconciled with existing hockey stick locations
Ongoing	

Consequence Category	Risk Ratings	Rating
Environment, Reputation, Financial	Consequence:	*Minor (2)*
	Likelihood:	*Possible (3)*
	Overall Risk Ratings:	*Moderate*

Errors, omissions & delays — Nov-22

Risk Context

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.

Examples include;
-Incorrect planning, development, building, community safety and Emergency Management advice
-Incorrect health or environmental advice
-Inconsistent messages or responses from Customer Service Staff
-Any advice that is not consistent with legislative requirements or local laws.
-Human error
-Inaccurate recording, maintenance, testing or reconciliation of data.
-Inaccurate data being used for management decision-making and reporting.
-Delays in service to customers
This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Potential causes include;

Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Unrealistic expectations from community, council or management	Health issues
Lack of discoverable information	
Poor use of check sheets / FAQ's	Lack of understanding

Key Controls	Type	Date	Rating
Procurement Policy	Preventative	Nov-22	Adequate
Training for staff with purchasing authority	Preventative	Nov-22	Effective
Documented procedures / monitoring	Preventative	Nov-22	Adequate
Staff training program (mentoring, formal & on-the-job)	Preventative	Nov-22	Adequate
Documented information sheets / website information / FAQ's to assist customer service staff in providing advice to customers	Preventative	Nov-22	Adequate
External consultants such as legal, human resources, heritage	Preventative	Nov-22	Effective
Complaints resolution process	Recovery	Nov-22	Effective
Customer Management System	Preventative	Nov-22	Inadequate
Customer Service Charter	Preventative	Nov-22	Effective
Review and monitoring of outstanding correspondence	Preventative	Nov-22	Adequate
Centralised information systems which allows the discovery and use of the most up to date information			
Overall Control Ratings:			**Adequate**

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Yes	Yes	Partial	Yes	Need review based on OAG feedback
EMCCS	Yes	Yes	Yes	Yes	Yes	RFQ Training to be conducted
All staff	Partial	Partial	Yes	Yes	Yes	Procedures in the process of being documented
EMG	Yes	Yes	Yes	Yes	Yes	Training needs identified and included in Staff Training Plan
AGC	Yes	Partial	Yes	Yes	Yes	FAQ's currently in process. Website review.
EMG	Yes	Yes	Yes	Yes	Yes	
EMCCS	Yes	Yes	Yes	Yes	Yes	Complaints Policy adopted. Procedures form part of the complaints policy. Register - Synergy based
EMIDS						Lots of different approaches
EMCCS	Yes	Yes	Yes	Yes	Yes	Charter adopted by Council.
EMG	Yes	Partial	Yes	Partial	Yes	OS records distributed monthly

Actions	Due Date	Responsibility
Review Procurement Policy to ensure consistent quotation, probity & record keeping requirements and treatment of contract variations	Complete	EMCCS
Provide further training to staff with purchasing authority to enforce the need to adhere to purchasing policies.	Complete	EMCCS
Identify specific staff training needs for inclusion in the annual budget process	Complete	EMG
Include an allocation in the annual budget to provide for external advice.	Complete	EMG
Formalise the process for EMG review of outstanding correspondence	Complete	RO

Status of Actions	Comments
Complete	Policy was reviewed, amended and adopted by Council in September 2017. RFQ and RFT documents have been amended to include reference to variations.
Complete	EMCCS and FM met with individual business units to provide further training and answer questions regarding procurement. Officers authorising payments now check for non-compliance with Policy and send an email memo to the responsible officer noting non-compliance. Moore Stephens noted significant improvement during 2017/18 Interim Audit.
Complete	Managers and supervisors are asked to complete a Training Request Template as part of the annual budget process which incorporate training needs identified during performance management process.
Complete	Allocations for legal advice, WALGA subscription services, heritage advice and consultants for specific projects where required are included in the annual budget.
Complete	Report provided to EMG monthly for review and action.

Action	Status	Owner	Update Status	Comments
~~Provide information to all staff regarding the Customer Service Charter and reminder regarding timeframes for response.~~	~~Complete~~	~~AGC~~	**Complete**	Email memo to all staff with customer service charter attached. Customer Service Charter also sent out with 2018/19 rates notices.
Implement a staff training program that includes refresher training on procurement	Ongoing	EMCCS	**In progress**	
~~Develop organisational templates in relation to procurement management~~	~~Complete~~	~~EMCCS~~	**In progress**	
~~Undertake a Procurement Review and present findings and recommendations to the Audit Committee~~	~~Complete~~	~~EMCCS~~	**In progress**	
~~Undertake training to include amendments to the Procurement Policy and the new Procurement Manual~~	~~Complete~~	~~EMCCS~~		
~~Review Interim Audit Management Letter and implement recommendations made~~	~~Complete~~	~~EMG~~		
~~Review Final Audit Management Letter and implement recommendations made~~	~~Complete~~	~~FM~~		
~~Review Interim Audit Management Letter and implement timeline to address recommendations~~	~~Complete~~	~~FM~~		
~~Develop improvement plan based on findings of FMR and Audit Reg 17 Reviews~~	~~Complete~~	~~FM~~		
Review Procurement Policy and Procedures	Jun-23	FM	In progress	Review needed to clearly detail treatment and recording of conflicts of interest in procurement processes and to review the level of delegations and controls. Awaiting outcome of OAG findings
Works delayed by stock items	Ongoing	EMIDS	In progress	Identify items in advance that may have impact upon critical path
Undertake business planning to develop an asset register/recording system	Mar-23	EMIDS	New	
Develop the Intranet for use of staff to display current documents and information	Jun-23	AGO	New	
Mapping the customer expectations for works including action request process and looking for improvements	Jun-23	EMIDS	New	

Consequence Category	Risk Ratings	Rating
	Consequence:	Minor (2)
Reputation / Compliance	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

External theft & fraud (Including Cyber) — Nov-22

Risk Context

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).

For the purposes of;
-Fraud: benefit or gain by deceit
-Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems
-Theft: stealing of data, assets or information

Potential causes include;

Inadequate security of equipment / supplies / cash	Inadequate provision for patrons/staff belongings
Robbery	Lack of Supervision
Scam Invoices	Collusion with internal staff
Cyber crime	Lack of clarity around roles and responsibilities

Key Controls	Type	Date	Rating
Admin Building Security access controls (alarms, CCTV, keypad access)	Preventative	Nov-22	Adequate
Other Building Security access controls (alarms, CCTV, keypad access)	Preventative	Nov-22	Inadequate
Depot Building Security access controls	Preventative	Nov-22	Adequate
Equipment storage security access controls	Preventative	Nov-22	Inadequate
IT Security Framework (passwords / security protocols / records access)	Preventative	Nov-22	Effective
Cash handling processes	Preventative	Nov-22	Effective
CCTV Policy: storage, disposal and access	Preventative	Nov-22	Inadequate
Functionality review of roles and responses to security components	Preventative	Nov-22	Inadequate
		Overall Control Ratings:	Inadequate

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
IT/P	Yes	Yes	Yes	Yes	Partial	Project to replace in 22/23
TSO	Partial	Yes	Yes	Yes	Yes	CCTV for Rec Centre and Stadium. Policy for CCTV access / disposal. Re-keying of buildings needed.
DAO	Yes	Partial	Partial	Yes	Partial	Security gate installed with intercom system. Security cameras need to be installed at the gate. Risk lies in theft of plant and tools.
DAO	Partial	Partial	Partial	Partial	Partial	Procedure need to be developed.
IT/P	Yes	Yes	Yes	Yes	Yes	
FM	Yes	Yes	Yes	Yes	Yes	Procedures reviewed.

Actions	Due Date	Responsibility
Request $15,000 for Depot upgrade to improve security and access as part of mid-year budget review	Complete	DAO
Replace all admin building access toggles with user identified toggles	Complete	IT/P
Update register of toggle holders for Admin Building	Complete	IT/P
Update register of users for access to other buildings	Complete	TSO
Develop an IT/Security Framework	Complete	IT/P
Install additional CCTV and document procedures	Complete	IT/P
Document cash handling and stocktake procedures for all areas and implement	Complete	FM
Install security gate at Depot and document procedures	Jun-19	DAO
Update registers of users, key/toggle holders including access to depot	Ongoing	IT/P OAO
Review procedures and provide refresher training on cash handling	Mar-23	FM
Develop and implement procedures for use of EFTPOS at Museum	Complete	IT/P / MC
Develop robust procedures for administration of York Dollars	Complete	AGC
Develop cash handling procedures for Container Deposit Site	Complete	FM
Install lighting and security at Old Recreation Centre	Jun-23	EMIDS
Document clear internal processes and systems to report any potential fraud, that include anonymous reporting (Fraud & Corruption)	Jun-23	EMCCS
Investigate cashless operations at the CFC Facility	Jun-23	EMIDS
Review cybersecurity measures	Jun-23	EMCCS/FM
Review departmental responsibilities around security and assigning tasks appropriately	Jun-23	ELT

Status of Actions	Comments
On-going	Funds requested as part of 2018/19 Budget process for electric gate to be installed at Depot.
Complete	All staff issued with new toggles and PIN changed for Admin building.
Complete	Updated.
Complete	
Complete	IT Security Plan drafted and presented to Risk and OSH Working Group for feedback. Reconfiguration of firewalls, internet access, virus control undertaken.
Complete	CCTV cameras installed over cash handling areas.
Complete	Cash handling and stocktake procedures documented and implemented.
Complete	
Ongoing	To be conducted annually
Ongoing	
Complete	
Complete	York Dollars discontinued in 22/23
Complete	
Complete	Included in 2019/20 budget doors to be investigated but the external lighting to the back stair was completed.
In Progress	Recommendation from OAG - Undertaking this work with LGIS Fraud and Corruption Management Plan
In Progress	In accordance with the original contract
In Progress	LGIS member survey has identified vulnerabilities that will be reviewed with the Shire's external IT provider in Nov/Dec
New	

Consequence Category	Risk Ratings	Rating
Financial / Property	Consequence:	Moderate (3)
	Likelihood:	Likely (4)
	Overall Risk Ratings:	High

Management of Facilities / Venues / Events — Aug-22

Risk Context

Failure to effectively manage the day to day operations of facilities, venues and / or events.

This includes;
-Inadequate procedures in place to manage quality or availability.
-Poor crowd control
-Ineffective signage
-Booking issues
-Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
-Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

Potential causes include;

Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Falsifying hiring agreements (alcohol on site / lower deposit)	Failed safety / chemical / health requirements
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)
Terrorism	

Key Controls	Type	Date	Rating
Event management procedures and monitoring	Preventative	Aug-22	Inadequate
Inspection, maintenance and cleaning schedules	Preventative	Aug-22	Adequate
Facility / Venue booking system (including bonds)	Preventative	Aug-22	Adequate
Venue booking management procedures and monitoring	Preventative	Aug-22	Adequate
Events package given to hirer (information sheets, events questionnaire / procedures / checklist)	Preventative	Aug-22	Effective
Insurance certificate of currency checked	Preventative	Aug-22	Effective
Feedback from community and users of facilities	Recovery	Aug-22	Effective
MOUs in place for on-going users	Preventative	Aug-22	Inadequate
		Overall Control Ratings:	Adequate

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EEDO	Yes	Yes	Yes	Yes	Yes	More events occurring. Improvements to increase LOS
EHO / venue managers	Partial	Yes	Yes	Yes	Partial	
AGC	Yes	Yes	Partial	Yes	Yes	Issues with tentative books / accuracy of data. System inadequate. Reactive.
AGC	Yes	Yes	Partial	Yes	Partial	
EEDO	Yes	Yes	Yes	Yes	Yes	
AGC	Yes	Yes	Yes	Yes	Yes	
AGC	Yes	Yes	Yes	Yes	Yes	Debriefings and forms provided.
YRCCPO	Partial	No	Partial	No	Yes	Regular users of the Town Hall / Stadium

Actions	Due Date	Responsibility
Staff training required in the area of venue bookings.	Complete	AGC
Synergy Booking Module currently being updated.	Complete	AGC
Events Committee to undertake desktop review of event management procedures	Ongoing	EEDO
Develop procedures for facility bookings and feedback - events especially.	Ongoing	AGC/EMIDS ESO
Social distancing measures and signage to be displayed in all Shire facilities	Ongoing	DSC
Maintain and record COVID-19 cleaning regime	Ongoing	EHO
Undertake an events review and develop/implement strategies to improve processes, approvals and monitoring.	Complete	EEDO
Booking forms to include details of Evacuation Plans for all facilities	Dec-23	EMIDS ESO/AGC
Investigate online booking system to be integrated into Shire website for community bookings	Jun-23	AGC
COVID-19 Safety Plans to be prepared for Shire venues	Complete	DSC/AGC
Review signage for all venues giving consideration to the Access and Inclusion Audit	Ongoing	DSC/PMO
YRCC sharing of information with teams re: bookings	Ongoing	EMCCS
Review of the Events procedures and processes to consider current risks such as terrorism	Jun-23	CPC

Status of Actions	Comments
Complete	Training undertaken
Complete	Updated
Review	Events Committee established and review of current procedures undertaken. Internal checklist developed to assist each department with operational controls required. To include RAP findings. Roles and responsibility definition. Review to include role of contractor induction in bookings.
Review	Procedures in place but still need further review. Feed back is provided in the booking hire form for users to complete. Also through debriefs with the Events Coordinator following an event. Information sheet to be developed around insurances and contractor induction
Complete	State of Emergency revoked
Complete	
Complete	Events policy review and guidelines adopted by Council. Monitoring of events still in progress
Need updating	Events booking to consider inclusion of safety induction. Evacuation plan updates being sought.
Pending - Ongoing	Budgeted for implementation 22/23 FY
Complete	
Review	Not complete. Residency museum has not been done. Review and update of all facilities to be included as part of condition assessments with external contractor
Ongoing	Discussed at September monthly contractor meeting. Access and Inclusion Officer to be invited to Event Meetings
New	

Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	Minor (2)
	Likelihood:	Unlikely (2)
	Overall Risk Ratings:	Low

IT or communication systems and infrastructure — Nov-22

Disruption, financial loss or damage to reputation from a failure of information technology systems.
Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.

Examples include failures or disruptions caused by:
-Hardware or software
-Networks
-Failures of IT Vendors
This also includes where poor governance results in the breakdown of IT maintenance such as;
-Configuration management
-Performance monitoring
This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;

Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery Processes
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Software vulnerability	Equipment purchases without input from IT department
Incompatibility between operating systems	Vulnerability to user error
Poor service from external IT providers	

Key Controls

Key Controls	Type	Date	Rating
Formal IT Infrastructure maintenance & replacement program	Preventative	Nov-22	Adequate
IT Vendor service level Agreement	Detective	Nov-22	Effective
Infrastructure Security (security access protocols, firewalls)	Preventative	Nov-22	Effective
UPS	Recovery	Nov-22	Inadequate
IT Disaster Recovery Plan	Recovery	Nov-22	Effective
Contract management	Preventative	Nov-22	Inadequate

	Overall Control Ratings:	Adequate

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
IT/P	Yes	Yes	Yes	Partial	Yes	Within budget constraints
IT/P	Yes	Yes	Yes	Yes	Yes	
IT/P	Yes	Yes	Yes	Yes	Yes	
IT/P	Partial	Yes	Yes	Partial	Yes	UPS needs to be updated
IT/P	Yes	Yes	Yes	Yes	Yes	

Actions

Actions	Due Date	Responsibility
Develop an IT Security and Disaster Recovery Plan that incorporates maintenance and replacement of infrastructure	Mar-18	IT/P
Implement a protocol to ensure passwords are changed regularly.	Mar-18	IT/P
Review levels of access to server and develop a process to ensure security & confidentiality of information	Jun-18	IT/P
Develop a written specification, seek quotes and engage an IT Service Provider.	Nov-22	IT/P
Investigate and implement transition to new communications provider	Nov-22	IT/P
Improve levels of service at Shire outstations (ie museum, swimming pool, depot, YRCC)	Jun-23	IT/P
Arrange installation of EFTPOS facilities at the Museum	Sep-19	IT/P
Review levels of access to Synergy and implement changes	Complete	IT/P / EMG
Migrate email addresses from role based to individual officers	Complete	IT/P
Review physical security of server room	Complete	IT/P
Arrange replacement of UPS and Server	Complete	IT/P
Implement regular testing regime for effectiveness of IT Disaster Recovery Plan	Ongoing	IT/P
Hot water system leak in server room to be rectified	Ongoing	EMIDS
Review levels of service with the external IT providers	Ongoing	EMCCS

Status of Actions

Status of Actions	Comments
Complete	IT Security Plan drafted and presented to Risk and OSH Working Group for feedback. Reconfiguration of firewalls, internet access, virus control undertaken.
Complete	A new process has been documented to ensure passwords are changed regularly.
Complete	The server structure has been reconfigured and levels of access introduced.
Complete	Focus Networks engaged as new IT support provider.
Complete	
In Progress	Museum interim upgrade complete. Works budgeted for 2022/23 to provide fibre connections to Administration, Museum and Depot
Complete	
Complete	
Complete	
Ongoing	Can be accessed by anyone with a master key. Conduct risk assessment to see whether measures are suitable
Complete	Servers upgraded prior to Altus Procurement and ECM changeover
Ongoing	Last Disaster Recovery testing session conducted 26 August 2022. Altus products unable to be tested in the sandpit environment. Further testing to be scheduled as these need to be conducted in the live environment
Ongoing	Has been done. Redundant services still to be removed. Consider this as part of the risk assessment for the server room to remedy all defects.
New	

Risk Ratings

Consequence Category	Risk Ratings	Rating
Service disruption	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Misconduct				Nov-22

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.

This would include instances of:
-Relevant authorisations not obtained.
-Distributing confidential information.
-Accessing systems and / or applications without correct authority to do so.
-Misrepresenting data in reports.
-Theft by an employee
-Inappropriate use of plant, equipment or machinery
-Inappropriate use of social media.
-Inappropriate behaviour at work.
-Purposeful sabotage
This does not include instances where it was _not_ an intentional breach - refer Errors, Omissions or Delays.

Potential causes include;

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Lack of internal checks	Low level of Supervisor or Management oversight
Covering up poor work performance	Believe they'll get away with it
Poor enforcement of policies and procedures	Undue influence from Manager / Councillor
Information leaked to Tenderers during the Tender process	Poor work culture
Insubordination	By-passing established administrative procedures
Disgruntled employees	Sharing of confidential information

Key Controls	Type	Date	Rating
Delegated authority framework	Preventative	Nov-22	Effective
IT Security Framework	Preventative	Nov-22	Adequate
Cash handling procedures	Preventative	Nov-22	Adequate
Staff on-boarding / induction program (Code of Conduct)	Preventative	Nov-22	Effective
External Audits	Preventative	Nov-22	Effective
Police clearances	Preventative	Nov-22	Effective
Annual drivers licence checks	Preventative	Nov-22	Inadequate
Strong management culture (Zero tolerance for misconduct)	Preventative	Nov-22	Effective
Social Media policy	Preventative	Nov-22	Effective
Segregation of duties (Financial)	Preventative	Nov-22	Adequate

	Control Assurance					
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Yes	Yes	Yes	Yes	Review based upon OAG recommendations
IT/P	Yes	Partial	Yes	Yes	Yes	
FM	Yes	Yes	Yes	Yes	Partial	CCTV Installed over cash handling areas
EMCCS	Yes	Partial	Yes	Yes	Yes	Induction manual to be finalised and training undertaken
EMCCS	Yes	Yes	Yes	Yes	Yes	
ESOCCS	Yes	Yes	Yes	Yes	Yes	Request for police clearances prior to confirmation of employment. Employee files reviewed and additional police clearance requested where required.
ESOCCS	Yes	Yes	Yes	Yes	Yes	Undertaken July 2017, annual declaration asks for this
CEO	Yes	Yes	Yes	Yes	Yes	Induction for all staff regarding Code of Conduct Policy and implementation. Alcohol and Drug Policy adopted. Culture reinforced through email correspondence and in person at staff meetings.
CEO	Yes	Yes	Yes	Yes	Yes	FB and Instagram sites launched December 2017
FM	Partial	Partial	Partial	Partial	Partial	Review following OAG feedback

Overall Control Ratings:	Effective

Actions	Due Date	Responsibility
Complete Employee Induction Manual	Ongoing	EMCCS
Review Delegation Authority Register to ensure details of sub-delegations are accurate	Ongoing	AGC
Develop an IT Security Framework	Jan-18	IT/P

Status of Actions	Comments
Ongoing	Under review. Definitive training to be incorporated with Payroll officer. Part A and B to be represented.
Ongoing	To be completed for Council Adoption in December every year. Last conducted OCM Dec 2021 Resolution 051221
Complete	Reviewed and adopted by Council November 2017 OCM. The server structure has been reconfigured and levels of access introduced. Passwords are changed regularly. Firewalls installed.

Action	Date	Responsible	Status	Comments
~~Review and document cash handling procedures for implementation at all Shire outstations and administration~~	~~Jun-18~~	~~FM~~	Complete	Cash handling procedures developed and implemented. CCTV cameras installed at all cash handling points. CFC to be reviewed against original contract.
~~Develop and implement a procedure for disciplining employees~~	~~Jun-18~~	~~EMCCS~~	Complete	Approved April 2018 following consultation and distributed to all staff.
~~Develop and implement a procedure for grievance resolution~~	~~Jun-18~~	~~EMCCS~~	Complete	Approved April 2018 following consultation and distributed to all staff.
Undertake training for all staff on HR policies and procedures	Ongoing	EMCCS	Ongoing	Marg Hemsley from LG People to undertook training on 6 March 2019. To be included in annual refresher training schedule
Develop and implement an annual staff training program that includes refresher training in HR policies and procedures.	Ongoing	EMCCS	In Progress	Incomplete. Work has recommenced on this.
Review cash handling procedures for outstations	Dec-22	FM	In Progress	Cash handling refresher updated planned for Containers for Change, Museum, Visitor Centre, Pool and Customer Service. All processes to be reviewed at this time
~~Review user access to SynergySoft~~	~~Complete~~	~~IT/P / EMG~~	Complete	
Review stocktaking procedures for minor plant and equipment, portable and attractive items.	Feb-23	FM	Ongoing	Needs to be reviewed
Develop a Fraud and Corruption Framework for review every 2 years	Ongoing	EMCCS	In Progress	Draft Framework received from LGIS and reviewed by ELT. TO be presented to the Audit and Risk Comm
Develop and implement a periodic fraud awareness training program for all staff	Ongoing	EMCCS	Not started	Will commence following Fraud and Corruption Framework completion
Declarations of conflict of interest when staff attend meetings with contractors where they could influence the work.	Ongoing	EMIDS	In Progress	This needs to be workshopped to see how it can implemented at the Shire.
Review of purchasing segregation and delegations after receipt of OAG Management letter	Jun-23	ELT	New	
Need to confirm validity of driver licences with implicated employees	Annual	EMCCS	Ongoing	Officers to review whether Altus Payroll can record and issue notices for annual review. Currently this process is captured in the Annual Declarations made by staff.

Consequence Category	Risk Ratings	Rating
Reputation / Finance	Consequence:	Minor (2)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	**Moderate**

Project / Change management   Nov-22

Risk Context

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

This includes:
-Inadequate change management framework to manage and monitor change activities.
-Inadequate understanding of the impact of project change on the business.
-Failures in the transition of projects into standard operations.
-Failure to implement new systems
-Inadequate handover process
This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include;

Lack of communication and consultation	Excessive growth (too many projects)
Lack of investment	Inadequate monitoring and review
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment / materials
External consultants underquoting on costs	Lack of project methodology knowledge and reporting requirements
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	

Key Controls	Type	Date	Rating
Project Management Methodology	Preventative	Nov-22	Adequate
Status reporting and monitoring program	Preventative	Nov-22	Inadequate
Stakeholder engagement policy and framework	Preventative	Nov-22	Adequate
Council submission process (including Risk)	Preventative	Nov-22	Adequate
Post-project debriefs	Preventative	Nov-22	Inadequate
Risk assessments are conducted before and during projects	Preventative	Nov-22	Inadequate
Project Management Teams	Preventative	Jan-00	Adequate

		Overall Control Ratings:	Adequate

Actions	Due Date	Responsibility
Project Planning Template (including risk assessment) is developed and distributed to relevant staff	Feb-18	EMIDS
Provide staff training regarding risk implications for inclusion in agenda reports.	Mar-18	EMCCS
Conduct Project Management Training for relevant staff	Jun-18	Relevant staff
Project plans including milestones, reporting, stakeholder engagement, risk assessment and formal debriefs are documented for projects	Jun-19	Relevant staff
Undertake staff training to include amendments to Procurement Policy and new Procurement Manual	Dec-19	EMCCS
Develop and implement procedures around Grants Management	Jun-23	FM/EMIDS
Consider grants management as part of the new Government Frameworks package	Jun-23	ELT
Incorporate review of grants register into quarterly FACR processes	Superseded	FM
Review Project Management processes and develop checklist	Complete	EMIDS
Implement the new contractor/project management procedures and forms and train all relevant staff. Include this in annual refresher training	Jun-23	EMIDS
Financial risk in completing projects in time to acquit against grants	Dec-23	EMIDS

Consequence Category	Risk Ratings	Rating
Financial / Reputational / Health	Consequence:	Minor (2)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMIDS	Yes	Yes	Yes	Yes	Yes	
EMIDS	Partial	Yes	Partial	Partial	Yes	Procurement Review to be undertaken
CEO	Yes	Yes	Yes	Yes	Yes	Policy G2.9 Community Engagement & Consultation adopted by Council 24/10/16
EMCCS	Yes	Partial	Yes	Yes	Yes	Agenda template includes consideration of Risk Implications. Training
EMIDS	No	Partial	Partial	Partial	Partial	Informal only
EMIDS	Yes	Partial	Yes	Partial	No	Procurement Review
EMIDS						Training planned, education on process and methodology

Status of Actions	Comments
Complete	Risk tables distributed to all staff. Agenda writing workshops conducted where elements of the agenda report were discussed and explained. Refresher to take place annually.
Complete	Project management training provided to relevant staff.
In progress	Project plan developed. To be distributed to all staff.
Complete	Project management training provided to relevant staff.
Complete	
Incomplete	Review existing and incorporate into project procedures
New	Examine the new Government Frameworks ERP to include grant management and reporting similar to project reporting on a monthly basis.
Incomplete	This process has not been conducted. New process to be developed for regular review as the FACR process is no longer used. To be included monthly financial reviews with responsible officers
Complete	EMIDS has produced contractor management suite of information and has provided to the OAG as per management letter requirements. This is to be rolled out via training to relevant staff
In Progress	Training schedule being developed. This will include risk, project and contract management.
In progress	Project spreadsheet captures grant spending and reports in a dashboard to highlight risk. Will be rolled out during training exercise

Safety and Security practices — Nov-22

Risk Context

Non-compliance with the Work Health and Safety Act, associated regulations and standards.
It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.

Potential causes include;

Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management
Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, contractors and/or tenants.	Inadequate organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc.).
Inadequate supervision, training or mentoring of staff	Slow or inadequate response to notifications from public

Key Controls	Type	Date	Rating
Building Security access controls (alarms, CCTV, keypad access)	Preventative	Nov-22	Adequate
WHS Management Framework	Preventative	Nov-22	Adequate
Contractor site inductions	Preventative	Nov-22	Effective
Staff site inductions	Preventative	Nov-22	Effective
Drug and alcohol policy	Preventative	Nov-22	Effective
Employee Assistance Program	Preventative	Nov-22	Adequate
Hazardous Substance and Dangerous Goods registers	Preventative	Nov-22	Inadequate
Health and Wellbeing program	Preventative	Nov-22	Adequate
Incident register / incident reporting procedures	Preventative	Nov-22	Effective
Organisational Emergency Management Plan and evacuation diagrams	Preventative	Nov-22	Inadequate
Purchasing policies and procedures consider safety issues	Preventative	Nov-22	Adequate
Regular documented safety inspections	Preventative	Nov-22	Effective
Safe work practices (Safe Work Method Statements)	Preventative	Nov-22	Adequate
Toolbox meetings	Preventative	Nov-22	Effective
Trained first aiders	Preventative	Nov-22	Effective
Return to work programs	Recovery	Nov-22	Adequate
Establish WHS Committee	Preventative	Nov-22	Adequate
Embed safety procedures and policies into project management framework	Preventative	Nov-22	Inadequate
Defib training	Preventative	Nov-22	Adequate

	Overall Control Ratings:	Adequate

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
IT/P	Yes	Yes	Yes	Yes	Partial	
DSC	Partial	Partial	Partial	Partial		
EMIDS	Partial	Yes	Yes	Yes		
EMIDS	Yes	Yes	Yes	Yes		
EMCCS	Yes	Partial	Partial	Partial	Yes	
EMCCS	Yes	Partial	Partial	Yes	Yes	Communication
DAO	Partial	Partial	Partial	Partial	Yes	
EMCCS	Partial	Yes	Yes	Yes	Yes	Through LGIS. Awareness
DSC	Yes	Yes	Yes	Yes	Yes	
DSC	Yes	Partial	Partial	Yes	Yes	
EMCCS	Yes	Yes	Partial	Partial	Yes	Does the purchase order need to be enhanced to capture conditions
DSC	Yes	Yes	Yes	Partial	Yes	Undertaken in January 2019
WS	Partial	Partial	Partial	Yes	Yes	
WS	Yes	Yes	Yes	Yes	Yes	
ESOCCS	Yes	Yes	Yes	Yes	Yes	
IT/P	Partial	No	No	Partial	Partial	
DSC						
						Training, process

Actions	Due Date	Responsibility
Establish procedures in liaison with LGIS for EAP	Jan-18	EMCCS
Update Hazardous Substance and Dangerous Goods Register	Mar-18	DAO
CCTV to be installed at all buildings	Jun-23	IT/P/GEAM
Develop and implement a Grievance, Bullying and Harassment resolution procedure	Jun-18	EMCCS
Undertake training in HR policies	Superseded	EMCCS
Implement the recommendations of the Emergency Exercise report	Jun-19	TSO
Update Evacuation Plans for the Depot to include new security gates and undertake emergency exercise	Dec-22	EMIDS
Access register to be developed and maintained for Depot	Sep-22	OAO
Review Safety Wardens at outstations and provide training	Ongoing	ESO EMIDS
Seek quotes for new YRCC and Gym access and arrange installation	Complete	IT/P/RM
Adopt the WHS Policy and Safety Manuals for staff	Jun-23	EMCCS
Undertake training in WHS policies	Ongoing	EMIDS

Status of Actions	Comments
Complete	Support provided on a case by case basis. Employees are recommend to the service when required and posters advertising availability are displayed in all offices
Complete	
Incomplete	Minor CCTV instalments have occurred. Shire to develop a strategy for use to understand the desired outcomes off implementation and understand the ongoing repercussions of regular CCTV use. Subject to grant availability
Complete	Approved April 2018 following consultation and distributed to all staff.
Complete	Amalgamated with later training item
Closed	Now out of date. Replaced by regular audits and emergency evacuation item below.
In Progress	Information collected and to be sent to LGIS for review to be replaced.
In Progress	Sign in board for staff and visitor log for others
In Progress	Being completed along with evacuation training
Complete	New project in place to replace existing hardware.
In Progress	Update to reference new legislation. Safety inductions updated and rolled out for all staff. New handbook to be developed for all staff
Ongoing	A training schedule is being prepared for 2022/23 to capture all of our training needs including HR Policies, Procurement and Records. This will become an annual process

Implement action plan incorporating results of OSH Audit	Complete	TSO	Complete	To be replaced by regular inspections. Hazards will be captured on register. Contact Worksafe to see what the process is for audits in regional Shires	
Develop procedures for the implementation of the Alcohol & Other Drugs Policy	Complete	EMCCS / OSH	Complete	Policy adopted 18/09/17 Procedures in place. Two random tests conducted to date.	
MSDS for Depot missing - sheets and register to be updated	Dec-22	SO	In progress	MSDS file has been located but sheets need updating.	
Undertake access and alarm upgrades at Administration, YRCC and Museum	Jun-23	EMIDS	In progress	Budget allocation made for 22/23	
Undertake Emergency Evacuation testing at all facilities	Dec-22	EMIDS	In progress	Still a risk. Key positions are being filled before Evacuation testing can occur at all facilities.	
Front counter replacement to consider upgraded security measures	Jun-23	EMIDS	In progress	To be considered as part of the refurbishment project	
Mechanism for flagging aggressive customers and properties.	Jun-23	ELT	In progress	Staff training and systems to be identified	
Bushfire volunteer safety inductions and training	Ongoing	EMIDS ESO	In progress	Good uptake of bushfire volunteer safety induction and training. Forward program of additional training agreed with v	
Update procedure to reflect LGIS requirements for fire ground attendance	Dec-22	EMIDS ESO	In progress		
Clarification from LGIS on private vehicle attendance to a fire ground	Dec-22	EMIDS ESO	In progress		
Continue to embed safety practices and processes into project work	Jun-23	EMIDS	New		

Note: This list is exhaustive of all WHS actions as further items are reported through the WHS Working Group

Consequence Category	Risk Ratings	Rating
Health	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Supplier / Contract management | Nov-22

Risk Context

Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

This also includes:
• Concentration issues (contracts awarded to one supplier)
• Vendor sustainability

Potential causes include:

Insufficient funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Suppliers not willing to provide quotes	Limited availability of suppliers
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining

Key Controls	Type	Date	Rating
Strict procurement / tender processes	Preventative	Nov-22	Adequate
Contract management and review program	Preventative	Nov-22	Adequate
Regular supplier / contractor review meetings	Preventative	Nov-22	Adequate
Legal advice (to confirm correct drafting of documentation and to prevent unknowingly accepting liability of the contractor or other parties)	Preventative	Nov-22	Effective
Contractor Online Induction	Preventative	Nov-22	Effective
Contract/Project Management Process	Preventative	Nov-22	Inadequate

		Overall Control Ratings:	Adequate

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments
EMCCS	Yes	Yes	Yes	Partial	Yes	Procurement Policy in place and implemented. Tender documentation using WALGA templates. Procurement Review
EMIDS	Partial	Partial	Yes	Yes	Yes	Procurement Review
EMIDS	Yes	Yes	Partial	Yes	Partial	As required. No formal process.
EMIDS	Yes	Yes	Yes	Yes	Yes	WALGA templates are used.
						Investigated next week

Actions	Due Date	Responsibility
Adjust Purchase Order Form to provide space for details of quotations sought.	Sep-17	FM
Meet with individual business units to provide further training on procurement policy	Sep-17	EMCCS
Review Delegation DE5-1 to remove delegation not to invite tenders	Dec-17	EMCCS
Establish a register of contracts.	Complete	EMIDS
Provide contractor induction training	Complete	TSO
Develop Statement of Business Ethics	Complete	EMCCS
Seek explanations for non-compliance and provide information on PO before authorisation	Ongoing	ELT
Implement procedures for online contractor inductions	Complete	TSO
Develop and implement a process for progress reporting on Shire contracts.	Complete	EMIDS
Implement regular monitoring of contracts register	Ongoing	EMIDS
Contractor Management Procedures	Dec-22	EMIDS
Purchase orders need review to include terms and conditions to form a more comprehensive contract	Jun-23	FM

Status of Actions	Comments
Complete	EMCCS and FM have attended meetings with each business unit to answer questions and clarify the procurement process.
Annual	Completed last year. All officers trained in new Altus procurement and refresher. Add to training roster.
Ongoing	Authorising officers seek information from purchasing officers. Delegation removed by Council at November 2017 OCM
Complete	
Ongoing	Register established. Contract dates being reviewed. Quotations sought for building services. Formal extension with Avon Waste to be entered into while Waste Services tender is developed
Complete	Adopted by Council 29 July 2019. Available to public on Shire Webpage
Ongoing	This practice has been embedded now. Non-compliance is reduced by the new Altus Procurement system and double signing on invoices. Implement monthly supplier report to highlight contract splitting. Review delegations for purchasing. Seek OAG comment. New procurement system requires explanation for non-conformance with Purchasing Policy and Executive override permission before proceeding to Purchase Order approval
Ongoing	Damstra/Velpic system rolled out to all contractors who attend Shire premises and is followed dup with part B a site specific induction. Staff training in this system has been completed. Staff are also undertaking this induction.
Complete	Contract register complete and in use
Ongoing	To amalgamate with contractor management procedures
Ongoing	EMIDS has produced contractor management suite of information and has provided to the OAG as per management letter requirements. Training to all relevant staff complete Nov 22. Consider amalgamating contract register with this.
New	Reference material available. Workshop to be undertaken to ascertain draft. Lawyer to complete T&Cs

Consequence Category	Risk Ratings	Rating
Service interruption, Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

9.3   FRAUD AND CORRUPTION FRAMEWORK

File Number: 4.4274

Author: **Alina Behan, Executive Manager Corporate & Community Services**

Authoriser: **Chris Linnell, Chief Executive Officer**

Previously before   **29 September 2020 (020920)**
Council:

Disclosure of   **Nil**
Interest:

Appendices: 1.   **Survey ⇩**
                     2.   **Draft Fraud & Corruption Framework ⇩**

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report presents the Shire of York's Fraud and Corruption Framework for the Audit & Risk Committee's (the Committee) consideration and recommendation to Council.

BACKGROUND

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the Chief Executive Officer (CEO) to review and report to the Committee on the effectiveness of the systems and procedures regarding risk management, internal control and legislative compliance. The Department of Local Government, Sport & Cultural Industries' *Audit in Local Government Guideline No. 9* advises that the review can be undertaken either on an internal or external audit basis. In 2020, Butler Settineri (Butler) was commissioned to undertake a review of the appropriateness of the Shire's financial management systems and processes of the Shire of York and to present the findings of their review.

Prior to the 2020 Butler review, the Regulation 17 review was required to be carried out every two (2) years and the financial management systems review, required under Regulation 5 of the *Local Government (Financial Management) Regulations 1996*, every four (4) years. However, on 26 June 2018, the above Regulations were amended to reflect the requirement for both reviews to be carried out every three (3) years. The 2020 Butler review encompassed both these reviews. The results were considered by the Committee at its 8 September 2020 meeting and presented to Council for consideration.

At its September 2020 Ordinary Meeting, Council resolved (020920):

"That Council receives the minutes of the Audit and Risk Committee meeting held 8 September 2020 and adopts the recommendations of the Committee:

That Council:

1.   Accepts the '3 Steps to Safety' Program Step 1 Assessment Report prepared by LGIS.

2.   Requests the CEO formally acknowledge the work of the Shire's Safety Officer and Depot Staff in achieving a significantly higher score that the last assessment.

3.   Receives the Shire of York Risk Register Dashboard Report as at 30 June 2020 as attached to this report.

4.   Notes the progress made to date regarding the actions contained in the Risk Register.

5. ***Receives the draft Audit Regulation 17 Review and Financial Management Review undertaken by Butler Settineri in accordance with Regulation 17 of the Local Government (Audit) Regulations 1996 and Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 as attached to this report.***

6. ***Requests the Chief Executive Officer to engage a suitably qualified third party to prepare a Fraud, Corruption and Control Framework and Plan in accordance with the requirements of Policy G3.2 Fraud, Corruption and Misconduct Prevention; and***

7. ***Requests the Chief Executive Officer to report back to the Audit Committee in December 2020 with an Improvement Implementation Plan and report on progress made on a six-monthly basis thereafter."***

COMMENTS AND DETAILS

In accordance with point 6 of Council's resolution to engage a suitably qualified third party, Officers contacted the Local Government Insurance Scheme (LGIS) in January 2021 to commence a review of current controls prior to the preparation of the Fraud and Corruption Framework (the Framework). This review was completed in May 2022.

Works were delayed due to the impending release of the new Australian Standard AS 8001:2001 Fraud and Corruption Control Standards, staffing levels within LGIS and budget adjustments at the Shire. However, an agreement to complete the Framework was signed in March 2022 and work commenced in April 2022.

To help measure the understanding of management of fraud and corruption at the Shire or York, LGIS developed a short survey which was sent to all elected members and staff. The survey was open between May and July 2022 and assisted LGIS to identify any organisational gaps that exist and where training may be required or where new management tools need development. The survey was available online, in hard copy, and offers were made to provide copies in another language to ensure all staff felt able to participate. A copy of the survey is presented in Appendix 1.

Following the survey, a sample of staff were selected to complete an in-depth in-person interview with LGIS representatives. Staff were asked a range of questions relevant to their positions to look at prevention, detection and response to fraud within the organisation.

The Draft Framework was received in November 2022 and reviewed by the Executive Leadership Team and is presented in Appendix 2.

The Framework will form part of a suite of documents which comprise the Integrity Framework, Fraud and Corruption Framework, Risk Management Framework and the Fraud and Corruption Management Plan to enable the Shire of York to better manage its risks in this area.

OPTIONS

The Committee has the following options:

Option 1: The Committee could recommend that Council review and adopt the Framework and request the Chief Executive Officer to develop a Fraud and Corruption Management Plan.

Option 2: The Committee could recommend that Council do not adopt the Framework and request the Chief Executive Officer to undertake further review of the Framework for presentation to the Committee at its March 2023 meeting.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

LGIS

Executive Leadership Team

Elected Members

All Staff

Strategic

Strategic Community Plan 2020-2030

Goal 5:   Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

G16   Fraud, Corruption and Misconduct Prevention

G19   Risk Assessment and Management

F2   Procurement

Financial

A budget allocation was provided for this work (GL: 42169) in the 2021/22 financial year. However, due to delays to the works schedule an allocation was carried forward in the 2022/23 budget.

Competitive procurement was not undertaken for this process as LGIS and their partners are exempt under Policy F2 Procurement, and member funds were to be recouped for this service.

Legal and Statutory

Regulation 17 of the *Local Government (Audit) Regulations 1996* is applicable and states:

"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 subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

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

Regulation 5 of the *Local Government (Financial Management) Regulations 1996* is applicable and states:

"5.   CEO's duties as to financial management

(1)   Efficient systems and procedures are to be established by the CEO of a local government —

(a)   for the proper collection of all money owing to the local government; and

(b)   for the safe custody and security of all money collected or held by the local government; and

(c)   for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and

(d)   to ensure proper accounting for municipal or trust —

(i)   revenue received or receivable; and

> *(ii)   expenses paid or payable; and*
>
> *(iii)   assets and liabilities;*
>
> *and*

> *(e)   to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
>
> *(f)   for the maintenance of payroll, stock control and costing records; and*
>
> *(g)   to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

> *(2)   The CEO is to —*
>
> *(a)   ensure that the resources of the local government are effectively and efficiently managed; and*
>
> *(b)   assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
>
> *(c)   undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews."*

Risk Related

The Regulation 17 Report provides a risk rating for each of the matters identified. Officers have prioritised actions relating to those matters based on levels of risk.

Workforce

The recommended improvements may require a review of existing resources. This will be conducted as part of the Workforce Plan.

VOTING REQUIREMENTS

Absolute Majority: No

COMMITTEE RECOMMENDATION

Moved: Cr Kevin Trent   Seconded: Cr Pam Heaton

That, with regard to the Fraud and Corruption Framework, the Audit and Risk Committee recommends to Council that it:

1.   Adopts the Fraud and Corruption Framework, as presented in Appendix 2.

2.   Requests the Chief Executive Officer to develop a Fraud and Corruption Management Plan.

CARRIED: 5/0

Marsh

FRAUD & CORRUPTION SURVEY

FRAUD & CORRUPTION SURVEY – SHIRE OF YORK

Welcome to the Shire of York Fraud & Corruption Survey.

This survey will take less than 15 minutes to complete.

Your response will be treated with the strictest confidentiality. The Shire would like all staff to participate in this independent fraud and corruption survey.

The survey forms part of Council's desire to comply with AS8001:2021 Fraud and Corruption Control

The results will enable the Shire to identify risks, effective controls, and benchmark against other councils based on WA Office of the Auditor General guidance.

Thank you for your participation.

Position Descriptions:

Elected Member

CEO/Executive Manager

Manager

Supervisor

Coordinator

Technical Specialist (including engineering, planning, health and regulatory etc.)

Administration Staff (including administrative support, customer service etc.)

Outdoor Staff (including parks and gardens, maintenance, containers for change etc.)

Other Staff

Business Unit:

Council
Executive Team and Support
Finance
Governance
Tourism and Economic Development
Community and Place
Operations
Development Services

Marsh

Please put a tick in the most appropriate box	Strongly disagree	Disagree	Unsure	Agree	Strongly agree
1. The Chief Executive Officer and Senior Management Team are committed to actively controlling and managing fraud and corruption risk in the workplace and commitment to demonstrate honest and ethical behaviour.					
2. We have an organisational Policy on Fraud and Corruption that is readily available to all Shire staff/officials.					
3. Shire staff/officials are aware of the Shire's Code of Conduct and policies which support ethical behaviour and these documents are readily available.					
4. Shire staff/officials will be disciplined for fraudulent or corrupt behaviour, and for breaches of our Code of Conduct.					
5. Shire staff/officials are aware of their responsibilities for minimising fraud and corruption within the Shire.					
6. Management (Team Leader / Supervisor and above) is aware of its responsibilities for minimising fraud and corruption in the Shire.					
7. Our fraud and corruption control policy and plan tell us how to deal effectively with the fraud risks we face.					
8. The functions of each business area are regularly assessed to identify and address vulnerabilities to internal fraud and corruption and external fraud and corruption risks.					
9. The Shire has identified business areas that are high risk and have implemented effective fraud and corruption controls.					
10. We have established a formal fraud and corruption control reporting mechanism in the Shire.					
11. Our customers and community have confidence in the integrity of the Shire.					
12. It is easy for the Shire staff/officials to report potential incidents of fraud and corruption.					

13. The Shire runs a comprehensive awareness program about fraud and corruption control.					
14. The Shire has policies and systems in place to ensure that third parties are appropriately checked and verified.					
15. Shire staff/officials and third parties (contractors, suppliers, customers, and business partners) are encouraged to report alleged fraud or corruption within or related to the Shire.					
16. The Shire systematically makes efforts to detect fraud and corruption.					
17. The Shire publishes fraud and corruption information on its website.					
18. There is highly visible information displayed for customers at your work area about the Shire having a strong anti-fraud stance.					
19. Our community and customers are encouraged to provide information if they suspect fraud and corruption.					
20. The Shire effectively communicates clearly and concisely the actions we will take should a fraud or corruption incident occur.					
21. We are confident internal investigations of alleged fraud and corruption would be carried out independently and to a high standard.					
22. We are confident that we can report suspected fraud or corruption while remaining anonymous and without fear of reprisal.					
22. The Shire has developed a program that indicates how we are performing against our objective to detect and prevent fraud or misconduct.					
23. Management (Team Leader / Supervisor and above) is aware of the program and is actively involved in its assessment.					
24. The Shire reviews controls after a fraud incident.					
25. It is clear to most Shire staff/officials that fraud and corruption is a crime and perpetrators will be prosecuted.					

Marsh

26. How do you think fraud and corruption could occur in your work area?	
27. Do you have any general comments about the fraud control or corruption prevention environment in your work area?	

FRAUD AND CORRUPTION RISK MANAGEMENT FRAMEWORK

1.0 CEO's introduction

This Framework sets out the standard for accountability across the organisation. It aims to minimise opportunities for fraudulent and/or corrupt activities to occur.

The Shire of York takes a proactive approach in maintaining the highest standards of openness, probity and accountability in all its affairs. Along with adherence to our organisational value of Excellence and having effective governance arrangements in place, the desire for continuous improvement underpins our controls.

The Shire has zero tolerance toward fraud, bribery and misconduct. We are committed to preventing, deterring, detecting and investigating fraudulent and corrupt behaviour in the delivery of all our services. This includes all Councillors, employees and those working alongside employees including contractors, volunteers and consultants.

This Framework will ensure our stakeholders and the community can be confident in the integrity and good governance of the Shire.

2.0 Methodology

This framework has been developed utilising the guiding principles of Australian Standard *AS 8001 :2021 Fraud and corruption control.*

In addition to referencing the Australian Standard, a number of additional activities were undertaken to better understand the Shire of York's maturity in relation to fraud and corruption risk. These additional activities were designed to complement the application of the Australian Standard to the Shire's framework and to ensure that the process of preparing the framework was both robust and rigorous. Like any local government organisation, the Shire of York is exposed to both generic and unique fraud and corruption risks. Consequently, the methodology involved in preparing the framework required a Shire-centric approach that took account of the unique focus on fraud and corruption risk at the Shire.

In addition to the Australian Standard, the framework methodology also included:

- On-line fraud and corruption awareness survey of staff and elected members.
- Detailed staff interviews targeting specific areas of the Shire's operations (based on outcomes of on-line survey and utilising key areas of questioning derived from the Australian Standard).
- Detailed analysis of interview responses results.
- Research and review of:
    - Relevant Shire policies.
    - Other local government and public sector fraud and corruption related documents.
    - Components of applicable legislation and guidance material.
- Development of draft framework.

1

3.0 Purpose

This framework will form part of the Shire's overarching Integrity Framework. It broadly seeks to outline the Shire's management of fraud and corruption risk and assist with the facilitation of the Shire policy objective (G 3.2 Fraud, Corruption and Misconduct Prevention) of:

> *To develop and maintain a corporate culture and corporate systems which discourage and eliminate the risk of fraud, corruption and misconduct in the undertaking of Shire of York business.*

The purpose of this framework is to outline:

- What fraud and corruption is and how it can impact on the functions and service delivery of the Shire.
- The roles and responsibilities of roles and functions within the Shire regarding the management of fraud and corruption.
- The process of reporting fraud and corruption.
- How the principles in AS 8001 :2021 Fraud and corruption control translate to action within the Shire.
- How reports of fraud and corruption are investigated and referred to investigating agencies.
- The Shire's fraud, corruption and other loss prevention and management policy.

The Shire will develop a Fraud and Corruption Control/Plan, Management Plan or System for the practical implementation of this framework and management of fraud and corruption under the Shire's Integrity Framework.

Figure 1. Where the Fraud and Corruption Risk Framework sits

Integrity Framework
Including:
- Statement of Values
- Codes of Conduct
- Leadership approach
- Organisational culture

Fraud and corruption risk management framework	Risk management framework	Fraud and corruption control plan/ management plan or system
Overview and approach to fraud and corruption risk in the Shire	Shire's appetite for, approach to and method/tools for risk assessment	Operational guide - How fraud and corruption risk is managed in the Shire

2

4.0 Understanding fraud and corruption

4.1 What is fraud, corruption and where does misconduct fit?

Fraud and corruption generally falls within the definition of misconduct but essentially the committing of such act is motivated by the desire to obtain personal advantage. That is the act of fraud through deception and the act of corruption using a position of power or trust.

Australian Standard AS 8001:2021 Fraud and Corruption Control provides for the following definitions:

Fraud is dishonest activity causing actual or potential gain or loss to any person or organisation including theft of monies or other property or persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.

Corruption is dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of the and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.

The *Corruption Crime and Misconduct Act 2003* provides strict definitions under two categories:

- Minor Misconduct - Section 4(a), (b) and (c).
- Serious Misconduct – Section 4(d).

The Public Sector Commission provides the following simplified explanations:

Minor Misconduct: As a guide, minor misconduct by a public officer includes:

- behaviour that is not honest and impartial.
- misuse of information they have access to in their role for personal benefit.
- breaches of trust placed with an employee by their employer.

Additionally, to be considered minor misconduct the conduct could provide reasonable grounds for the public officer's employment to be terminated as part of a disciplinary process.

Serious Misconduct: This includes corrupt conduct by a public officer, either deliberate or by failing to act in the course of their duties; a public officer corruptly taking advantage of their role or causing detriment to another person while performing their role; or conduct of a public officer that may result in a criminal offence punishable by 2 or more years of imprisonment.

4.2 Why does fraud and corruption occur?

To manage fraud and corruption is to first understand how and why it occurs. Generally three elements will be present when a fraud occurs, that is opportunity, motivation and rationalisation. In the right circumstances when this combination occurs a person's normal judgement may give way to temptation to commit an act of fraud.

3

Figure 2. The Fraud Triangle

Concept adopted from Other People's Money: A Study in the Social Psychology of Embezzlement, Dr Donald Cressey, Free Press 1953.

Whilst difficult to control a person's behaviour, there are means of managing the risk through controlling the opportunity to commit fraud. This can include: controls that help detect fraud, such as awareness of behavioural indicators or warning signs of fraud amongst internal and external colleagues; and controls that focus on preventing fraud such as the appropriate vetting of suppliers and contractors.

4.3 How does fraud and corruption occur?

4.3.1 Examples of fraud
- Misuse of Shire resources (credit cards, vehicles, equipment, computers, stationery).
- Accounting fraud (accounts payable, diversion of incoming funds, asset misappropriation, manipulation of reporting).
- Procurement/tendering fraud (external providers claiming services that were not provided, provision of false or misleading information).
- Sale or use of Shire information/intellectual property.
- Falsification of entitlements (timesheets, allowances, leave).
- Persons deliberately claiming benefits for which they are not entitled.
- Cyber – borne fraud (attack, information theft).

4.3.2 Examples of corruption
- Using position for personal benefit or gain or benefit for another (inappropriate influence over process, grants and funding).
- Inappropriate involvement with suppliers and service providers.
- Accepting or paying bribes for particular actions.
- Serious conflict of interest (nepotism).

4

- Release of confidential information other than for proper business purpose.

4.4 What makes the Shire a risk?

Like many local governments, the Shire is particularly vulnerable to fraud and corruption due to a number of reasons including:

- Managing significant sums of money.

- Frequent staff turnover.

- Senior staff supervise a wide range of activities.

- Both internal and external (political) pressures to deliver an outcome can lead to 'short cuts' (e.g. bypassing controls, inadequate supervision).

- Funding and resources may be inadequate to allow for separation of duties as a primary control.

5.0 Statement of the Shire's attitude toward fraud and corruption

The Shire of York does not tolerate corrupt or other improper conduct, including mismanagement of public resources, in the exercise of the public functions of the Shire. The Shire is committed to the prevention of fraud, corruption and misconduct.

Shire of York Fraud, Corruption and Misconduct Prevention Policy (G16), 24 October 2016.

6.0 Code of conduct

The Shire sets expected standards of behaviour our codes of conduct for both employees and elected members within their respective roles. These codes of conduct form part of the Shire's Integrity Framework.

Employee Code of Conduct (O8) observes statutory requirements of the *Local Government Act 1995* (s5.51A – Code of Conduct for Employees), *Local Government (Administration) Regulations 1996* and *Corruption, Crime and Misconduct Act 2003*.

Code of Conduct: Council Members, Committee members & Candidates (E1) is consistent with the provisions of the *Local Government Act 1995, Local Government (Model Code of Conduct) Regulations 2021* and *Local Government (Administration) Regulations 1996*.

7.0 Related policies

The following policies have a particular relevance to the Fraud and Corruption Risk Management Framework however it is recognised that multiple policies governing the Shire's activities should have reference to fraud and corruption risk consideration.

- E1 Code of conduct – Council members, committee members, and candidates.
- E4 Council delegates – Roles and responsibilities
- E5 Induction for councillors
- E11 Council code of conduct division 3 complaint handling policy

5

- F1 Revenue collection
- F2 Procurement
- F3 Significant accounting policies
- F4 Investment
- F5 Authority to make payments from trust and municipal funds
- F6 Corporate credit card policy
- F7 Concessions on commercial and farming properties occupied by pensioners/seniors
- F8 Rates exemptions for charitable purposes
- F9 Panels of pre-qualified suppliers
- F10 Financial hardship – Rates and charges
- F11 Financial Planning and sustainability
- F12 External grants – Procurement and managementG1 - Record Keeping
- G2 Organisation Structure and Designation of Senior Employees
- G4 Appointment of Acting Chief Executive Officer
- G5 Comprehensive Complaints Response
- G15 Public Interest Disclosure
- G16 Fraud, Corruption and Misconduct Prevention
- G17 Integrated Planning and Reporting – Planning
- G18 Integrated Planning and Reporting – Reporting
- G19 Risk Assessment and Management
- G20 Legislative Compliance
- G25 Compliance
- G26 Model Standards for CEO Recruitment, Performance and Termination
- O1 Staff Superannuation
- O2 Volunteer Management
- O3 Workforce & Human Resources
- O5 Asset Management
- O6 Internal Controls
- O8 Employee Code of Conduct

Policy codes: (E) Elected Members, (F) Finance, (G) Governance, (O) Operational – Staff.

8.0 Related legislation and guidelines

This framework is guided by legislation and standards including:

- *Local Government Act 1995*
- *Local Government (Model Code of Conduct) Regulations 2001*
- *Local Government (Financial Management) Regulations 1996*
- *Local Government (Audit) Regulations 1996*
- *Local Government (Administration) Regulations 1996*
- *Local Government (Functions and General) Regulations 1996*
- *Corruption, Crime and Misconduct Act 2003*
- *Public Interest Disclosure Act 2003*
- AS 8001:2021 Fraud and corruption control
- AS ISO 31000:2018 Risk management - Guidelines

6

9.0 Roles and responsibilities

9.1 Elected members (Council)

- Adopt and adhere to the Fraud and Corruption Risk Management Framework, the overarching Integrity Framework and related policies and practices.
- Set strategic direction and monitoring of management actions for fraud and corruption.

9.2 Audit and Risk Committee

- Review risk management framework and process for the adequate identification, analysis and management of fraud and corruption risks.
- Oversee the development and implementation a Fraud and Corruption Control/Plan, Management Plan or System that will provide assurance the Shire has the appropriate processes and systems in place to prevent, detect and effectively respond to fraud related information and events.

9.3 CEO

- Ensures Shire resources are effectively applied to enable adequate controls to manage fraud and corruption risks within the Shire.
- Obligation to notify the Crime & Corruption Commission (CCC) or Public Sector Commission (PSC) of suspected misconduct per *Corruption, Crime and Misconduct Act 2003*.

9.4 Executive Leadership Team/Management

Are responsible for the effective implementation of the Fraud and Corruption Risk Management Framework within their respective teams, this includes:

- Providing leadership, guidance and support to employees in preventing fraud and corruption and modelling ethical behaviour.
- Communicating the existence and importance of the Shire's Integrity Framework and relevant subsets including the Fraud and Corruption Risk Management Framework.
- Delivering and/or coordinating fraud and corruption training under a fraud and corruption awareness training program.
- Setting and enforcing disciplinary standards.
- Managing the grievance and disciplinary process.
- Identifying areas at high risk of fraud and corruption.
- Participating in fraud and corruption risk assessment reviews.
- Implementing remedial action to address issues identified by the fraud and corruption risk assessment reviews.
- Assessing the cost/benefit of introducing anti-fraud and corruption procedures.
- Developing/modifying practices to reduce fraud and corruption risk.
- Monitoring the continued operation and effectiveness of controls to prevent fraud and corruption.
- Receiving reports of suspected fraud and corruption from employees and taking appropriate steps to address concerns reported.
- Reporting suspected fraud and corruption promptly and maintaining confidentiality.
- Ensuring protection of complainants who report fraudulent or corrupt activities.

7

9.5 Public Interest Disclosure (PID) Officer

- The PID Officer investigates disclosures, and takes action following the completion of investigations in accordance with the provisions of the *Public Interest Disclosure Act 2003*.

  Public interest disclosures will be managed in accordance with the Shire's Public Interest Disclosure Policy (G15) and the Public Interest Disclosure Guidelines as published by the Shire of York.

9.6 All employees

All employees have a responsibility to contribute to the prevention of fraud and corruption by acting ethically; complying with controls, Shire policies and processes, and reporting suspected incidences of fraudulent or corrupt behaviour. This includes:

- Embracing an ethical work-place behaviour in line with Employee Code of Conduct (O8).
- Recognising the value and importance of personally contributing to fraud and corruption prevention.
- Developing and understanding of good work practices, systems and controls;.
- Reporting suspected incidences of fraudulent and corrupt conduct in accordance with Shire policies and processes.

9.7 Contractors, consultants, volunteers and any other persons who perform public official functions on behalf of the Shire

Functions other than Shire employees and elected members also share responsibilities related to the prevention of fraud and misconduct. This includes:

- Supporting the Shire's commitment to preventing fraud and corruption through reporting suspicious activity or dealings with the Shire.
- Acknowledging and committing to the Shire's requirements around probity, ethical behaviour through provisions in formal service and supply arrangements with the Shire (e.g. contractual).
- Compliance with the Shire's policies and refraining from engaging in fraudulent and corrupt conduct.

10.0 Fraud and corruption prevention

10.1 Implementing and maintaining an integrity framework

This Fraud and Corruption Risk Management Framework is part of the Shire's commitment to maintaining an overarching integrity framework and exists as a subset of that framework. The approach outlined in this document forms an integral part of the Shire's corporate, strategic and operational planning processes and objectives.

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10.2 Ensuring executive management commitment to controlling the risk, fraud and corruption

The Council, CEO and Executive Leadership Team are committed to ensuring an ethical and high-integrity workplace at every opportunity. The Shire does not tolerate any level of fraud and corruption, and executive management are responsible for conveying and promoting this message to staff.

10.3 Fraud and corruption related risk assessment

The approach toward achieving alignment with AS 8001:2021 Fraud and Corruption Control, will include a focus on identified areas of risk. Some of the key areas of local government vulnerability to fraud and corruption for risk assessment consideration include:

- Mishandling and theft of cash.
- Theft and misuse of assets.
- Use of credit cards and fuel cards.
- Misuse of confidential information.
- Conflicts of interest.
- Procurement, contract and supplier management.
- Accounts payable and receivable.
- ICT and information security.
- Recruitment (including workforce screening).
- Payroll operations (including recording of times/timesheets, overtime payment).
- Acceptance of gifts, hospitality, donations and other benefits.
- Planning and development approvals.
- Awareness of fraud and corruption (internal and external dealings).
- Scope of auditing (internal and external auditors).

The risk assessment process will be consistent with the Shire's policies on Risk Assessment & Management (G19); Fraud, Corruption and Misconduct Prevention (G16); and Internal Controls (O6). This includes:

- An annual probity risk assessment process will be undertaken.

- Any changes in risk status, or emergence of newly identified risks, will be entered on the register with the agreed follow-up requirements.

- If an area is identified as medium status or higher risk and not previously addressed in the Framework, a review of the framework will be undertaken for inclusion.

10.4 Workforce screening

The Shire is committed to recruiting and retaining high quality employees. The Shire's recruitment process, which integrates screening tasks, is designed to ensure the Shire selects people that are able to provide quality services and uphold the expected behaviours as outlined in the Employee Code of Conduct (O8).

The screening process involves collection of certain information with the applicant's consent. This includes:

- Required clearances (Police, medical, working with children).

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- Licences, certifications, training and qualifications.
- Confirmation of identity.
- Employment references.

Refer Workforce & Human Resources Policy (O3) and associated recruiting/screening procedures.

The Shire also conducts appropriate programs for the screening of volunteers, and where required the collection of relevant information, as outlined above.

10.5 Opportunities for position rotation (acting and in-fil)

It is recognised that certain roles may be at greater risk of fostering fraud and corruption, particularly where there is limited resources to provide effective oversight and separation of duties. Where feasible, consideration will be given to the rotation of staff in high risk roles during periods of leave and absences by offering acting opportunities to appropriately competent staff.

10.6 Excess annual leave

Staff in areas of high risk fraud who accumulate excess annual leave can be an indicator of where fraudulent activity may be taking place.

Annual leave entitlements will be appropriately managed so as not to result in excessive accumulation. This may include provisions for:

- Negotiation with employees and establishment of a plan to take excess annual leave (organisational needs for the staff member to be present may be a factor for consideration),
- If a mutual agreement cannot be reached, the manager/Shire is to direct employees to take the excess annual leave taking into account the staff member's personal and family responsibilities.

Leave should be managed in accordance with legislative requirements, relevant awards, Enterprise Bargaining Agreement and Shire policy.

The Shire will amend an existing policy or establish a new policy that addresses excessive leave.

Refer associated Human Resources procedures.

10.7 Supplier/contractor screening and requirements

Staff engaged in the contracting of external suppliers, vendors and service providers will take appropriate steps to ensure the bona fides of new suppliers and periodically confirm the bona fides of continuing suppliers. This will include:

- Searching open source locations, such as the internet, for any adverse news on the supplier and key controllers (e.g. company owners, the CEO and company directors/senior managers).
- Consulting with neighbouring local governments and local companies who utilise the supplier to identify any concerns.
- Evaluating any suspicious activity observed by the Shire during the life of the relationship, such as presentation of incomplete, incorrect or inflated invoices.

The Shire will consider its ongoing commercial relationship with the other party if an inquiry finds a heightened risk of fraud or corruption in continuing to deal with that party. Consideration will also be given to whether new suppliers may have a conflict of interest in their engagement with the Shire.

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The Shire's standard contracts will include provision for declarations to ensure contractor probity and compliance with the Shire's policy and requirements to manage fraud and corruption risk. The Shire will also make clear expectations that suppliers/contractors are to report suspicions of fraud or corruption that involves or may impact the Shire, how to access the available reporting methods and that reporters will not face detriment for doing so.

Refer Procurement Policy (F2) and associated Shire procedures for procurement.

10.8 Awareness and training

Staff, elected members, contractors, consultants and volunteers awareness of fraud and corruption is critical for the prevention and control of both internal and external fraud and corruption activity. To ensure the Shire's fraud and corruption awareness program is effective, initial training on fraud and corruption, including how to report improper conduct will be delivered to all staff and elected members through the Shire's induction program.

The Shire will provide regular and ongoing fraud and corruption awareness programs to staff and elected members that includes information and training regarding fraud prevention, detection and reporting of fraud or corruption. Staff will also be required to acknowledge on an annual basis they have received the training and have complied with the relevant Shire code of conduct.

Contractors, consultants, volunteers and any other persons who perform public official functions on behalf of the Shire will be made aware of the Shire's position, policy and requirements through the Shire's relevant induction programs.

10.9 Internal controls

The Shire ensures processes are subject to a system of internal control that is well documented, regularly reviewed, updated as required under a process of continual improvement, and understood by staff involved in the relevant processes. The adequacy of internal controls associated with the management of fraud and corruption risk is guided by Shire policy and internal control framework including:

- Internal Controls (O6).
- Risk Assessment & Management (G19).

10.10 Conflicts of interest

Potential conflicts of interest will be managed in line with legislative requirements, existing Shire policy and procedures including their appropriate recording, assessment and ongoing review of compliance. Shire policies include:

- Procurement (F2).
- Employee Code of Conduct (O8).
- Code of Conduct: Council Members, Committee Members & Candidates (E1).

The Shire will develop policy specifically related to conflicts of interest.

Conflicts of interest are also required to be declared in areas of business including:

- Tenders

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- Contractor and project management
- Agreements (including funding or grant agreements, leases, licences)

10.11 Technology enabled fraud

Specific risk associated with information technology enabled fraud and corruption will be managed in accordance with the Shire's IT Security Framework, service contract and the Shire's relevant codes of conduct. This will include controls around the acceptable use of equipment and access of systems, acceptance of potential monitoring of access and devices, the management of information – including sensitive information, and awareness training around cyber fraud and corruption.

10.12 Protection of assets

Tangible assets (including vehicles, plant equipment, and inventory) and the risk of potential misuse or theft of these assets, will be managed according to the Shire's relevant policies and processes.

As well as the relevant process controls around monitoring appropriate use of these assets, the risk of theft associated with the physical security environment of assets will be assessed within the Shire's Risk Management Policy Framework for the adequacy of existing controls and the efficacy of further controls to prevent theft. This includes perimeter security (fencing, barriers), access and egress controls (locks, gates, passwords) and monitoring controls (alarms, CCTV).

Portable and attractive assets are captured on the Register and reviewed via annual stocktake.

11.0 Fraud and corruption detection

11.1 Fraud and corruption detection program

The Shire is committed to identifying, investigating and deterring fraud and corruption in the workplace, in its dealings with the community and business. To reinforce this commitment the Shire will develop and implement a fraud and corruption detection program.

The program is to include appropriate channels to facilitate reporting of suspected fraud and corruption activity. Reporting channels such as Public Interest Disclosure or 'whistleblower' programs will have disclosure protections in place.

The program will also include planned audits of systems or processes that may have a higher risk of potential fraud and corruption. Possible analysis of data will be used to aid in the detection of financial and other behavioural anomalies giving rise to fraud and corruption risk. This will include post transaction reviews (e.g. procurement/contractor arrangements and payments, payroll claims and payments) to detect irregularities and the analysis of accounting/finance reports (e.g. actual v budget comparisons). Whilst this may be an internal audit function, limited resources may dictate the need for external assistance.

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The recognition of early warning signs or red flags pointing to potential fraudulent or corrupt activity will be a priority amongst those conducting reviews of high risk areas and will also form part of awareness training for all staff.

11.2 The external auditor's role in detection of fraud

Considering the Shire's limited internal audit resources and to increase the likelihood of detecting material miss-statements or errors in the Shire's financial statements, the auditor's accountability for the detection of fraud will form part of any audit.

11.3 Analysis of data

The Shire will examine the capabilities of existing software and the means of extracting and assessing available data for signs of fraud and corruption. This may include suspect transactions identified for further investigation having regard to fraud and corruption risks identified during the risk assessment process.

11.4 Mechanisms for reporting fraud and corruption

It is a mandatory requirement of Shire staff and elected members to report known or suspected fraud and corruption. A report or allegation of fraud or corruption must be dealt with rapidly and appropriately. Reporting channels may include:

- In the first instance, an officer's immediate manager, or the next senior level if more appropriate.
- An officer may report their suspicions to the relevant Executive or the Shire's Public Interest Discloser Officer.
- Staff can also report directly to the Public Sector Commission, the Corruption and Crime Commission or the Police.

11.5 Public Interest Disclosure

The *Public Interest Disclosure Act 2003* (the Act) facilitates the disclosure of public interest information, enabling anyone to make disclosures about improper or unlawful conduct within the State Public Sector, including local government, without fear of reprisal. The Act also provides protection for those who are the subject of a disclosure.

Public interest disclosures will be managed in accordance with the Act as outlined in the Shire's Public Interest Disclosure Policy (G15) and Guidelines. This includes the receiving and investigation of disclosures, taking appropriate action and reporting.

11.6 Complaint management

Complaints are managed in accordance with relevant Shire policies including Comprehensive Complaints Response (G5) and Council Code of Conduct Division 3 Complaint Handling (E11). Provisions will be made that recognise the need to identify complaints received through these channels that may trigger concerns of fraud, corruption or misconduct. Such complaints are to be managed under the Shire

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policies and procedures that apply to fraud, corruption and misconduct and where required referred to the appropriate agencies.

11.7 Departing staff

Exit interviews with departing staff will contain an element of questioning to elicit information regarding fraud or corruption events. For example; where the individual has been involved in such an event; where other staff have been involved in the event; and where one of the Shire's suppliers or contractors has been involved in the event.

Interviews will be conducted in line with Shire policy and procedures including Workforce & Human Resources (O3).

12.0 Fraud and corruption response

12.1 Immediate action on detection of fraud or corruption

Once the appropriate information is gathered, the nature of the event will dictate the degree of immediate response, for example whether this requires notification to relevant external agencies, protection of potential evidence, mitigation of further loss and activation of the Shire's Crisis Management Response (this may include where relevant, Business Continuity Response/Plan, IT Disaster Recovery Plan, notification to business interruption insurers).

Response will also be guided by the Shire's Fraud and Corruption Control/Plan, Management Plan or System.

12.2 Investigation and reporting of detected or suspected fraud or corruption

Where there is reasonable suspicion or possibility that an incident constitutes minor misconduct or serious misconduct (corrupt conduct), the *Corruption, Crime and Misconduct Act 2003* requires the CEO, as Principal Officer, to report the matter to the PSC or CCC respectively.

In general, the majority of fraud and corruption matters require automatic reporting, as both fraud and corruption largely fall within the definition of misconduct. Once reported, the PSC or CCC respectively may choose to investigate the matter itself, refer it back to the Shire, or work with the Shire to investigate the matter. Any allegation involving criminal offences against the Shire requires referral to the WA Police.

Where criminal charges are not laid but the allegation, if proven, could result in formal disciplinary action, an investigation will be commenced by the Shire.

Where reports of suspected fraud, corruption and misconduct are investigated by the Shire, this is done according to Shire policy and procedures including the Public Interest Disclosure Guidelines. Where required, an external investigator may be appointed with the appropriate competency to manage the nature of the event being investigated.

All investigations will be performed in accordance with the principles of procedural fairness and natural justice. Staff involved are required to cooperate with the Investigator and maintain confidentiality including the keeping of appropriate records.

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Records will also include the collation of information concerning fraud and corruption events, e.g. in the form of a register that enables the internal reporting and analysis of events. This is to also assist with the review and improvement of existing fraud and corruption risk controls.

12.3 Disciplinary procedures

Disciplinary proceedings are separate to the investigation and determination process of the fraud and corruption event; adhere to the rules of natural justice and fairness; and align with the Shire's relevant human resources policies and procedures.

The Shire will implement a disciplinary procedures policy and process that accommodates outcomes for staff involved in fraud and corruption events.

12.4 Crisis management

The Shire will develop a crisis management plan that incorporates appropriate actions following discovery of a fraud or corruption event. This may include protocols for internal and external communications along with consideration of any requirement for notification of third parties who may be impacted by the event.

12.5 Maintaining and monitoring adequacy of insurance dealing with fraudulent or improper conduct

A review of insurance adequacy will be conducted after analysis of a fraud and corruption event along with on an annual renewal basis for existing cover.

12.6 Recovery of stolen funds or property

The Shire will develop a policy concerning the recovery of the loss associated with a fraud and corruption event. This will include the recovery of uninsured losses and consideration of legal action where this is deemed worthwhile.

12.7 Fraud and corruption events involving business associates

The Shire will include protocols within its relevant business policies and practices to take appropriate action where there is evidence of business associates (e.g. contractors) engaging in fraud or corrupt activities. This will include referral to relevant law enforcement and regulatory authorities; civil action; termination or modification of the contract terms; removal of relevant/involved contractor's staff; greater ongoing scrutiny, supervision or monitoring of the contractor.

12.8 Post-detection controls assessment

As well as periodic reviews, the Shire will conduct an adequacy assessment of existing controls following a fraud or corruption event, with particular attention to the area of controls that may have failed in

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preventing or detecting the activity. The review will include recommendations to improve mitigation of fraud and corruption risks.

Date Review Adopted:	Resolution Number
Council Approved date	

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10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

12 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

NIL

13 CLOSURE

The Presiding Member thanked everyone for their attendance and closed the meeting at 3.24pm.