



Shire of Ngaanyatjaraku
ON A JOURNEY

AUDIT & RISK COMMITTEE MEETING

ATTACHMENTS

**Tjulyuru Cultural and Civic Centre
Warburton Community**

31 May 2023

at

1.00 pm

Shire of Ngaanyatjaraku - Legislative Compliance Calendar

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
	Monthly Activities					
	Monthly Financial Report Statement of financial activity reporting on the revenue and expenditure..	Local Government Act 1995	s.6.4 FM.Reg.34	Monthly	DCS	Completed as required
	Business Activity Statement - submit to ATO	Australian Tax Office		Monthly	DCS	Completed as required
	Corporate Business Plan - Qtrly update to council	Local Government Act 1995	5.56	Quarterly - April, July, October, January	DGS	Completed as required
	Financial Interests Register Remove Primary and Annual Returns of persons who are no longer Designated Employees.	Local Government Act 1995	s.5.88(3)(4)	6 monthtly	DGS	Completed as required
	Annual Activities					
	Performance Review - CEO and staff	Local Government Act 1995	s5.38	Annual	CEO/DCS/DGS	All staff reviews completed to date.
	Fire Break Notices - Local Public Notice	Bush Fires Act 1954	s33	Annual	DIS	Awaiting response from DFES as Shire has no resources and is not the land manager
	ESL Reconciliation Report	FESA Authority of WA Act 1998	Part 6A Div 5	Monthly	DCS	Not applicable monthly to NG, Annually October
	Authorised Officers - Purchasing and Requisitions, review listings and processes. .	Local Government (Financial Management) Regs 1996	Reg.5	Annual	DCS	Completed as required.
	Delegated Authority - Review and confirm employees with delegated authority	Local Government Act 1995	s5.44	Annual	DGS	Completed as required.
	Maintain Complaints Register - regarding breaches of the Act.	Local Government Act 1995	s5.121(1)	Annual	DGS	Completed as required.
	Update Gift Register	Local Government Act 1995	s5.62(2) Reg.34B	Annual	DGS	Completed as required.
	Primary Returns - for all new designated employee's.	Local Government Act 1995	s.5.75	Annual or as required	DGS	Completed as required.
	Audit Regulation 17 Review.	Local Government Act 1995	Audit.Reg. 17(1)(c)	Triennial	DCS	Completed as required.
	Financial Management Regulation 5 Review.	Local Government Act 1995	FM.Reg.5	Triennial	DCS	Completed as required.
	Policy Manual - review policy	Local Government Act 1995		4 - yearly	DGS	Completed as required.
	Disability Access and Inclusion Plan Review	Disability Services Act 1993	s29(7)	5 - yearly	DGS	Completed as required.

Shire of Ngaanyatjaraku - Legislative Compliance Calendar

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
	Record Keeping Plan - Review and submit to Records Commissionser	State Records Act 2000	s28	5 - yearly	DGS	Completed as required.
	January - Take Action					
Jan	Revaluation of Assets - Plant and Equipment	Local Government Act 1995	FM.Reg.17A(4)	5 - yearly	DIS	Completed as required.
Jan	Revaluation of Assets - Land, Buildings and Infrastructure	Local Government Act 1995	FM.Reg.17A(4)	5 - yearly	DIS	Completed as required.
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	February - Take Action					
Feb						
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	March - Take Action					
Mar	Compliance Audit Return (CAR) Complete the CAR for consideration via Audit Committee.	Local Government Act 1995	s.7.13(1)(i) Audit.Reg. 13, 14 and 15	Annual Due: 31 March	DCS	Completed as required.
Mar	Mid-Year Budget Review (MYBR) Between 1 January and 31 March in each financial year, a review of the annual budget is to be carried out.	Local Government Act 1995	FM Reg.33A(1) (2A) (2) (3)	Annual	DCS	Completed as required.
Mar						
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	April - Take Action					
Apr	Complete Compliance Audit Return - Action Plan	n/a	n/a	Annual	DCS	no items to Action from review
Apr	Strategic Community Plan - Review Review to be completed in April after community consultation, in order to inform Annual Budget.	Local Government Act 1995	s.5.56 Admin.Reg.19C	Biennial	DGS	To be done June Council after appointment of new CEO

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
1	Legislative / Regulatory / Policy / Occupational Safety and Health	Insufficient and/or inconsistent procedures in relation to procurement processes, including selection criteria, assessment requirements, declarations of independence of assessors, variations to contracts and review.	Purchasing policy	High	Review procurement processes to consider where gaps exist and address deficiencies. Develop procedures/framework to guide and direct procurement requirements for all staff.	CFO	85%	A procurement and purchasing procedure has been drafted.
2	Service Delivery/Business Interruption	Failure to prepare and plan for potential events which could interrupt the administrative operations in delivering services to the community.		High	Identify and document key business continuity risks along with the treatments to reduce risks to an acceptable level. Develop into a Business Continuity Plan and test to ensure validity.	DGS	Y	The Business Continuity Plan (BCP) was adopted by Council in December 2021. Testing of the BCP was done June 2022.
3	Environmental Risk	Inadequate control and management of reclaimed water (for irrigation etc)	Agreements with Water Corporation	Medium	Develop procedures and review schedule for the control and management of reclaimed water.	CEO	Y	Water management is managed by DoC REMS Contractor
4	Environmental Risk	Failure to adequately enforce conditions and manage landfill operations at unmanned landfill sites.	Waste Management Plan	High	Articulate operating arrangements for waste disposal facilities. Develop workflow diagrams for administration staff when processing front counter transactions for unmanned waste facilities.	CEO	Y	Existing landfills are not the Shires. The Shire has reported potentially contaminated sites to DEWR who are liaising with DoC / DPLH. New landfill sites being investigated.
5	Legislative / Regulatory / Policy / Occupational Safety and Health	Inadequate processes to manage and comply with OSH requirements	OSH safety audit, OSH risk register, toolbox meetings, OSH officer	High	Safety audit to be undertaken through to assess OSH requirements. Maintain OSH risk register and actions through OSH meetings.	DGS	40%	Software (WHS monitor) in place to assist with managing Workplace Health and Safety requirements as per new legislation. Implementation of this system is ongoing.
6	Legislative / Regulatory / Policy / Occupational Safety and Health	Failure to manage HR matters in accordance with statutory requirements.	IR consultant / professional advice subscription	Medium	Review policies and procedures to address gaps relating to HR in existing practices. Develop procedures and / or workflows for HR activities.	GMO	Y	Policy Manual has been reviewed and endorsed by Council. CEO Procedures under review, HR Policies completed.
7	Financial	Incorrect processing of employee payroll	Processes for timesheet authorisation, payroll authorisation and review processes		Develop procedures and/or workflows for appropriate processing, review and authorisation process for all functions of fortnightly payroll processing.	CFO	85%	Review and updates of the payroll process is ongoing.
RISK ASSESSMENT FROM REG 5. and REG 17. REVIEW.				RISK ASSESSMENT FROM REG 5. and REG 17. REVIEW.				
External Complaints								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
6.2.1		This policy governs the procedure for complaints against elected members of Council, which contradicts the appointment of the CEO as the Complaints Officer in the Code of Conduct for Council Members, Committee Members and candidates for election.		Medium	Review and amend the policy with consideration of the complaints resolution procedures as documented in the Code of Conduct for Council Members, Committee Members and candidates for election.	DGS	Y	A complaint resolution procedure has been completed. This will be incorporated into the updated CEO Procedures.
Business Continuity & Disaster Recovery Plan								
7.1.1		A Business Continuity Plan was prepared in 2016 however there was no evidence of the plan being tested to ensure its validity.		High	Progress the review, update of the Business Continuity Plan and test it to ensure its validity, including validity of the documented key business continuity risks along with the treatments. Ensure content of the plan is relevant and current to the Shire, and risk treatments are consolidated with overarching risk management activities. The plan should facilitate organised decision making in the event of any major disruption impacting the Shire's ability to continue normal operations, with testing involving relevant and key personnel to ensure validity of the identified risks and treatments within the plan.	DGS	Y	BCDRP adopted by Council in December 2021. The IT Recovery Plan was adopted by Council in April 2022. Operational testing of the 2 undertaken June 22.
ICT Disaster Recovery Plan								
7.1.2		A Disaster Recovery Plan was adopted by Council on 09 November 2016 however there was no evidence of the plan being tested to ensure its validity.		Medium	Review and update content of the Disaster Recovery Plan to ensure relevancy and currency to the Shire. Maintain, review and test the plan to ensure validity.	DGS	Y	See above comment
Administration Procedures								
7.1.3		Documented procedures currently exist in the form of a CEO Procedures Manual (currently under review). Some other		High	Finalise review of the CEO Procedures.	CFO / GMO	70%	awaiting completion of Finance procedures.
Asset Management Plan								
7.1.4		The most recent Asset Management Plan was adopted in November 2018. The plan does not meet the standards set within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016) in that the ratio		High	Review and update the Asset Management Plans to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016).	GMO	20%	Asset Management Plan incorporated into the Strategic Resources Plan and adopted by Council in June 2022. AMP to be reviewed 2023
Checklists & Workflow Diagrams								
7.2.1		Checklists of key functions are maintained for selected functions. Checklists were not maintained and evidenced for all standard routine functions such as end of month reconciliations and reporting across the organisation. It was noted some staff have commenced with the creation of checklists and procedures.		High	Creation and maintenance of standard checklists may assist in evidencing key points of control. Checklists assist in ensuring compliance with repetitive legislative compliance tasks. Staff are encouraged to continue with the development of checklists and procedures for routine functions, including evidencing independent review. In conjunction with, or as an alternative to, the development of documented procedures and checklists, development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.	CFO	10%	Updates to happen to processes to incorporate a review to current checklists. Procedures to be reviewed to include this.
Procedure Changes								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
7.2.2		Process for amending or changing procedures are not formalised (administration procedures yet to be finalised). This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls within internal and financial controls.		Medium	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.	CFO	10%	Procedures under review.
Changes to Banking Details								
7.2.3		Current procedures to restrict changes to bank details are considered appropriate, however do not appear to always be consistently documented to evidence all control validations for changes which have occurred. We noted more formal procedures relating to changes to banking details for employees and creditors master files are be developed to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system.			Progress and complete the review and update procedures to ensure the following matters are appropriately considered and controls are adequate to: <ul style="list-style-type: none"> •Validate the change request and its origin; •Authority exists for the change request; and •Validate and control the changes once completed. Procedures should require documentary support to evidence all controls having been applied when applying changes to banking details within the Shire's ERP.	CFO	10%	Procedures under review.
End of Month Processes								
7.2.4		Creditors invoices appears to be processed and entered only at the time where a routine creditors payment run is scheduled resulting in month end creditor balances being nil at the end of each month selected for review.		High	Supplier invoices should be processed in a timely fashion and entered through the Shire's ERP system as soon as practicable after receipt to provide a more accurate representation of the Shire's liabilities at any given time. Invoices should be followed up where not received for goods or services obtained.	CFO	90%	Process to be developed for outstanding Purchase Order followup.
General Journal Entries								
7.2.5		There are limited documented internal control procedures for general journals. No general journal audit trail is currently produced to ensure no unauthorised journals have been posted.		Medium	Document internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the current practice of independent review is maintained, and evidence of review is consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity. IT permissions should also be considered when developing controls.	CFO	10%	Procedures under review.
Receipting and Banking								
7.2.6		Evidence of an independent review of end of day receipting reports selected for testing was not always recorded.		High	Update procedures and controls to ensure an appropriate review process has been undertaken for all end of day receipting activities processed for banking.	CFO	10%	Procedures under review.
Petty Cash								
7.2.7		Our testing of petty cash noted a breakdown within the systems and controls described to us. The March 2021 reconciliation did not evidence review and authorisation of an appropriate senior officer, independent of the preparer.		Medium	Undertake a review of systems and processes relating to petty cash, to ensure adequate controls exist for the security of cash held, as well as maintaining and processing of petty cash transactions.	CFO	10%	Procedures under review.
Credit Cards								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
7.2.8		<p>Credit card statement in December 2020 selected for review was not signed by the FAC for the transactions incurred as required by the documented policy and procedure in place.</p> <p>Our review noted a credit card transaction in December 2020 which did not reconcile to the support documentation included with the credit card statement.</p>		Medium	<p>Update systems and processes relating to credit cards, to ensure adequate controls exist relating to ensure compliance with adopted policy and approved procedure requirements. This should also provide for controls for robust control and review processes prior to payments being deducted through automated bank payments.</p> <p>Ensure processes exist to maintain adherence to and detect any deviation from established documented procedures and controls. Where possible, segregation of duties should exist where those who have incurred charges on corporate credit cards are not also responsible for reconciling and entering credit card transactions. If circumstances prevent the full segregation of duties, documented procedures should describe the controls in place to reduce associated risks.</p>	CFO	10%	Procedures under review.
Procurement								
7.2.9		<p>Through limited testing of payments we noted the following:</p> <ul style="list-style-type: none"> An instance where the requirements of the purchasing policy had not been adhered to; Authorisation of invoices to be processed for payment made by the same individual who requested and authorised the purchase order; Some invoices did not evidence independent review and authorisation when entered/processed for payment Purchase orders being issued with no assigned value. 		Medium	<p>All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy reflects the purchasing objectives of the Shire.</p> <p>Appropriate segregation of duties relating to the requisitioning, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks.</p> <p>Review and update procedures to ensure appropriate review and authorisation has occurred and is evidenced prior to creditors invoices being authorised for payment.</p> <p>Values should be assigned to all purchase orders to ensure purchasing authorisations and policy requirements have been adhered to and controls have been developed to prevent unauthorised changes being applied after purchase orders have been approved.</p>	CFO	90%	<p>All procurement of goods and services is undertaken according to legislation and the Shire's purchasing policy.</p> <p>Duties are segregated and all processes require an independent review by a senior officer.</p> <p>Procedures are under review.</p>
Outstanding Purchase Orders								
7.2.10		We did not observe any formal procedures relating to the routine monitoring of and clearance of outstanding purchase orders. Regular review of outstanding purchase orders should be		Medium	Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.	CFO		
ICT Security								
7.2.11		We noted some levels of permissions have been established for IT network access to software and data, however this is largely undocumented. A number of recommendations were identified in the Shire's recent IT		High	Progress the implementation of recommendations included within the Shire's recent IT Strategic Plan and consider undertaking a comprehensive IT general security review, articulate current practices and implement findings of the review.	DGS	50%	ICT Security Framework being developed
Art Shop Controls								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
7.2.12		Purchases for the Warta Shop are managed by an officer who has responsibility for operation of the centre, negotiating purchases of art with artists, recording the art, setting of prices for the disposal of the art, sale of art and issuing cash payment when purchasing artwork from artists. Limited oversight documentation exists in relation to these activities.		High	A full review of procedures and controls is required to determine practical procedures, documentation and controls for the purchase and sale of art. Procedures should ensure compliance with the regulatory requirements in relation to the setting of fees and charges and ensure appropriate stock reconciliation controls are in place.	CFO	10%	Procedures under review.
Grants Management								
7.2.13		Limited procedures exist to support processes and controls in respect to: <ul style="list-style-type: none"> • application of grants; • acquittal of grants; • compliance with grant conditions; and • governance and administration arrangements. 		High	Systems relating to grants management should include controls for the monitoring of grants with funding conditions and acquittal processes. Incomplete consideration of these factors may contribute to the Shire's ability to effectively deliver grant programs.	CFO	10%	Grant register to be implemented. Review of procedures to include.
Segregation of Duties and Internal Controls								
7.1.14		We noted a lack of independent oversight for some key roles, with some existing controls considered inadequate, especially where multiple process controls for high risk transactions are performed by a single individual or involve closely related parties. Where a single individual or closely related parties are responsible for or involved in multiple stages of various processes, there is an increased risk and opportunity for error, misconduct etc to occur.		High	Interventions should be available at various stages for a number of operational functions, including routine independent reviews of controls to ensure they are being observed and maintained as required. Where resourcing constraints exist (such as small local governments with limited staff), other considerations should be applied such as training and engaging officers within the organisation who may not normally be involved in these processes, to assist with checks and controls, or engaging independent parties to provide sufficient levels of oversight.	CFO	10%	Procedures under review.
Procurement Assessment								
7.2.15		Documented formal requirements when undertaking assessments of responses to requests for quotations exist, however are not always consistently recorded / maintained with our samples selected for testing. Procedures		High	To help ensure probity and fairness when assessing high value procurement, at least three persons should assess the procurement responses independently of each other. Documented processes should require a higher level of probity and due diligence, for higher value or higher risk purchases.	CFO	10%	The draft procurement procedures outline the requirements for high value procurement. Procedures under review.
Rates								
7.2.16		Evidence of routine reviews of rate exempt properties as defined by section 6.26(2)(g) of the Local Government Act 1995 was not available for our inspection.		Medium	Develop and maintain systems and processes whereby routine reviews are undertaken of rate exempt properties within the Shire, confirming these properties are used exclusively for rate exempt purpose, in accordance with policy 2.6 Rating Exemption.	CFO	10%	Procedures under review.
Fixed Assets								
7.2.17		We noted two instances of asset additions being incorrectly recorded on the fixed assets register due to inconsistent GST treatment of some line item expenses for the asset acquisition.		High	Ensure appropriate controls are in place to correctly identify the initial carrying value of new assets. Review procedures and controls for updates to the asset register, including review and authorisation by an independent officer.	CFO	10%	Procedures under review.
Stock Controls								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
7.2.18		Controls in relation to management of stock for the Warta Shop are considered inadequate. Documented procedures for annual stocktakes of artwork and other items of value as well as reconciliations to		High	Review and update systems and procedures relating to stock controls at Shire facilities, including permission/authorisation requirements for stock pricing changes and stock write offs. Periodic stocktakes should minimally include reconciliation of stock movements against sales and independent review of data etc.	CFO	10%	Procedures under review.
Employee Appointment Procedures								
7.3.1		Staff inductions are inconsistently applied throughout the Shire, and induction processes do not consistently communicate to staff required expectations and requirements when performing local government functions. It is noted that draft procedures for this are currently being developed.		High	Develop and implement procedures to ensure all new staff are appropriately inducted and aware of the parameters of their employment responsibilities and obligations including: <ul style="list-style-type: none"> •OH&S; •Duties and responsibilities; •Security; •Code of Conduct; •HR Policies and Procedures; •Legislative Compliance; •Risk Management; and •Other relevant and required topics. 	GMO	10%	Procedures under review.
Employee Termination Procedures								
7.3.2		No formal process or procedure is currently in place to ensure the appropriate process on termination of employees ensuring security and IT permissions are		High	Establish policies, procedures or checklists to manage and document the termination of employees, ensuring access to IT systems, etc. is appropriately restricted and all allocated Shire assets are recovered.	GMO	10%	Procedures under review.
Employee Identity and Credentials								
7.3.3		Practices and procedures for verifying employee identity, right to work in Australia, background checks, verification of employment history and qualifications are considered inadequate. We noted a breakdown in controls where an employee file did not contain evidence of background checks, licences, qualifications etc.		Medium	Develop, implement and maintain appropriate policies and procedures to reduce the risk of unqualified or unsuitable staff being employed by the Shire, in line with the Western Australian Auditor General's Report in June 2019 relating to Verifying Employee Identity and Credentials.	GMO	10%	Procedures under review.
Staff Training								
7.3.4		Planned and required staff training needs for employees are currently recorded for some operational areas/departments. A central training matrix is not currently maintained.		Medium	Refine the current practice of documenting training requirements to add further value by developing and maintaining a central training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.	DGS	40%	WHS Monitor software will assist with documentation in relation to staff training. Procedures under review.
Payroll								
7.3.5		Evidence of review and authorisation of fortnightly payroll reports was not recorded by both review/authorising officers. The officer responsible for preparing and processing employee pays is also tasked with authorising the payments through the bank. Risks may exist where reduced impartiality and lack of segregation of duties are associated with payroll transactions.		Medium	Implement documented procedures to ensure adequate controls are consistently followed for review and authorisation of fortnightly payroll reports, with appropriate evidence of these reviews consistently recorded. Where possible, segregation of duties should exist where those responsible for processing payroll transactions are not responsible for approving payments through the bank. If circumstances prevent the full segregation of duties, documented procedures should describe the controls in place to reduce associated risks.	CFO	10%	Procedures under review. Duties are segregated and all processes require an independent review by a senior officer.

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Payroll Audit Trails								
7.3.6		A review of changes to the payroll is made each pay run and is conducted prior to the payroll being updated into the bank. However, our testing noted a payroll audit trail had no preparer or reviewer evidenced on the report.		High	Procedures to minimise risk of erroneous or unauthorised changes to employee details should be consistently evidenced and maintained. Regular reviews of software audit trails is one form of control and this practice is strongly encouraged to continue with the addition of consistent evidence of the review.	CFO	80%	Independent review of all changes to employee database is performed by a senior officer. The process to be developed to ensure supporting documentation is maintained.
7.3.7		The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. with no verification to contractual entitlements. Staff have advised more formal documentation / checklists are intended to be created to assist with payroll processing, review and authorisation.		Medium	Review of procedures and controls to define procedures, documentation and controls for the accurate processing of payroll each fortnight. Details for each employee should be reviewed against individual employment contracts to capture allowances, deductions, entitlements etc, into a master list, with appropriate review and authorisation for changes. Payroll exception reporting and review of audit trails should be undertaken to capture anomalies or unauthorised changes.	CFO	10%	Procedures under review.
Contractor Insurance								
7.4.1		Contractors' insurances are not always assessed prior to award of contracts. Reliance is placed on contract managers to ensure copies of insurances are provided and are current.		High	To help ensure contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be finalised, and records maintained to ensure copies of contractors' current insurances and licences are held on file.	CFO	5%	Software (WHS monitor) in place to assist with managing contractor Workplace Health and Safety requirements as per new legislation. Procedures under review.
Register of Hazardous Materials								
8.2.1		A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire		High	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.	GMO / CFO	50%	90% of Shire owned buildings have been inspected for hazardous materials and data collected for input into register. LGIS generic asbestos risk register being reviewed and adapted for Shire of Ngaanyatjaraku purposes.
Investment Register								
8.2.2		An investment register was not available for our inspection detailing the nature and location of all investments and all related transactions.		High	Recording the nature and location of all investments and related transactions is required by Regulation 19 (2) of the Local Government (Financial Management) Regulations 1996. Tracing of funds on maturity of investments is essential and record of where funds are transferred and who authorised the transfer should be maintained within the register. Maintaining printed copies of the investment register, reviewed and authorised by a senior manager, independent of the control of the investments, prevents subsequent amendment to the register.	CFO	Yes	Investment register established and presented to Council each month.
Contracts Register								
8.2.3		A contracts register was not available for our inspection detailing the status of contracts held by the Shire.		Medium	Maintain a register to record details of all contracts (current and expired) and their status in a form to assist with ensuring contracts are monitored and actioned as required and reflecting the value of the contracts.	DGS	Yes	tender register used to perform this function
Tender Register								
8.2.4		Inspection of the register noted the inclusion of a procurement activity which was not a tender, but rather a request for quotation. Procurement processes which are		Medium	Ensure the tender register contains only the information required to comply with Regulation 16 & 17 of the Local Government (Functions and General) Regulations 1996.	DGS	Y	Ongoing
Financial Interest Register								
8.2.5		Our testing noted several returns prior to 2018/19 are not recorded within the register for some		Medium	Maintain systems and procedures to obtain all returns required under the Local Government Act 1995.	DGS	Y	Ongoing
Community Complaints								

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
8.4.1		A procedure to guide the process for managing community complaints was prepared in 2017. An update to this procedure is being prepared, including the Internal Audit		High	Finalise and implement procedure to ensure community complaints are adequately reported, actioned, and addressed.	DGS	Y	A community complaint procedure has been completed. This is included in the draft updated CEO Procedures.
8.5.1		Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.		Medium	We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to Parliament on the Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities.	DGS	10%	The Shires Internal Audit function will be reviewed once the policies and procedures have been completed.
Significant Adverse Trend Report								
8.5.2		A significant adverse trend was identified during the 2018-19 & 2019-20 audits. We noted the following legislative requirements were not met: •A report was not prepared stating actions intended to be taken in relation to the adverse trends noted;		High	Prepare a report stating actions intended to be taken relating to the significant adverse trend identified during the 2018-19 & 2019-20 audits and present for consideration by the Audit Committee and Council, forward to the Minister after adoption, and publish the report on the Shire's website. Ensure any future reports are prepared and published as required by section 7.12A of the Local Government Act 1995.	CEO	Y	Reports completed, sent to Minister and on Shire website
Audit Regulation 17 Review								
8.6.1		A review was last undertaken in August 2017, which is outside of the time period as required by regulation 17 of <i>Local Government (Audit) Regulations 1996</i> .		Medium	Ensure the next review is undertaken within the time period as required by legislation. Ensure future review identifies operational and financial risk, control weaknesses and compliance weaknesses.	CFO / DGS	Y	Reg 17 Review completed 2021
Financial Management Review								
8.6.2		Evidence of a previous review was not available for our review. Staff representations indicated the previous review was performed in house by staff responsible for		Medium	Ensure the next review is undertaken within the time period, by parties with required levels of independence and is considered by Council as required Local Government (Financial Management) Regulations 1996.	CFO / DGS	Y	Reg 5 Review completed 2021
8	Financial	Expenditure exceeds policy threshold or tender threshold set within regulations.	Purchasing policy		Ensure policy sets out guidance in relation to management of price variations, review procurement processes to allow for early detection of variations (through creditors processing etc).	DGS	Y	The procurement and purchasing procedure has been completed. This has been included in the draft updated CEO Procedures.
9	Financial	Collusion and/or perceived or actual conflict of interest during procurement assessment process.	Purchasing policy		Review or develop procurement procedures to set out requirements for assessment panels to meet objectives of the purchasing policy.	CEO	Y	Conflict of interest Declarations & Assessment Proforma Spreadsheet should have been used. Officers required to do so going forward.
10	Performance	Inability to deliver projects due to poor contract management, expenditure over budget etc	Processes and reporting	High	Maintain contract register, implement regular procurement training to set out required monitoring processes etc.	DGS	Y	tender register used to perform this function
11	Performance	Infrastructure failure	Management Plans, Maintenance	High	Progress with implementation of asset management plans and improvement plans (including scheduling for required maintenance activities etc)	GMO	50%	See Item 7.1.4 above

Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Existing Controls	Risk Rating	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Complete Y/N/%	Action taken
12	Service Delivery/Business Interruption	Inability to attract and retain staff to maintain operational services	Professional Development Incentives, Subsidised Accommodation	High	Consider external services available for key roles to assist during periods of position vacancy. Succession planning and development strategies to multi skill workforce.	DGS	Ongoing	
13	Service Delivery/Business Interruption	Insufficient consideration of ICT risks and subsequent management	ICT Strategic Plan	High	Develop ICT Strategic Plan to highlight and address ICT risks.	DGS	Also see 7.1.1 above	
14	Service Delivery/Business Interruption	Inadequate management of facilities and events	Booking system/process, facility operation manuals, maintenance schedules and reports, qualified	High	Develop and / or review facility operation manuals to consider and address risk management for relevant facilities.	GMO / DGS	80%	Building Risk Management and Maintenance Plan has been developed and approved by Council at the September OCM. This covers all buildings under the care and control of the Shire of Ngaanyatjaraku. It also contains a plan to remediate all defects in the building that will be updated annually.
15	Legislative / Regulatory / Policy / Occupational Safety and Health	Deliberate actions by an employee to bypass procedures, authorisations or controls for personal benefit or the unfair benefit of others.	Segregation of duties, delegated authority, ICT permissions, procurement processes, cash management controls, financial management	High	Review induction procedures to ensure adequate training and information is available on misconduct and reporting processes. Establish documented procedures for high risk functions (e.g. cash management and stock control).	CFO/DGS	10%	Procedures under review.
16	Reputational Damage	Inaccurate representation of information or reports	Staff training, internal review and authorisation processes.	High	Ensure independent review and authorisation processes exist throughout the organisation. Implement risk based staff training matrix to ensure high risk positions are resourced with appropriate training.	CFO	10%	Procedures under review.
17	Reputational Damage	Operational activities conducted erroneously, or not performed within required time frames.	Procedures and checklists, review and authorisation processes, segregation of duties.	High	Establish compliance calendars, review and / or develop documented procedures for core compliance functions.	DGS	Y	Compliance calendar adopted and maintained.
18	Financial	Theft, fraud, malicious damage or unauthorised access to data or assets.	Procedures and checklists, review and authorisation processes, segregation of	High	Maintain appropriate hierarchy of controls to IT systems. Review insurances to ensure appropriate level of insurance is in place to cover events of malevolence.	DGS/CFO	50%	Cyber security training in progress. Reviews with new IT contractors . Insurance in place.
19	Service Delivery/Business Interruption	Failure to prepare and plan for potential events which could interrupt safe service delivery to the community during a pandemic.	Procedures and checklists, review and authorisation processes, segregation of duties.	High	Follow and comply with government advice, including from the Department of Health, to provide accurate updates on the current COVID-19 (Coronavirus) health issue based on the latest information from the Federal and State health departments.	CEO	Y	CEO is member of the Goldfields OASG