SHIRE OF EAST PILBARA

AGENDA

ORDINARY COMMITTEE MEETING

NOTICE IS HEREBY GIVEN that an Ordinary
Meeting of the **AUDIT COMMITTEE**will be held,
in Council Chambers, Newman, 8:00am,
Friday, 23 August, 2019.

Jeremy Edwards
CHIEF EXECUTIVE OFFICER

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of East Pilbara for any act, omission or statement or intimation occurring during Council or Committee Meetings. The Shire of East Pilbara disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee Meeting does so at that person's or legal entity's own risk.

In particular and without derogating any planning application or application of a licence, any statement or intimation of approval made by any member or Officer of the Shire of East Pilbara during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of East Pilbara.

The Shire of East Pilbara warns that anyone who has any application lodged with the Shire of East Pilbara must obtain and should only rely on

WRITTEN CONFIRMATION

of the outcome of the application and any conditions attaching to the decision made by the Shire of East Pilbara in respect of the application.

Signed: _____
Jeremy Edwards
Chief Executive Officer

AUDIT COMMITTEE

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2 RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

2.1 ATTENDANCES

Councillors

Cr Lynette Craigie OAM	Shire President
Cr Anita Grace	Deputy Shire President
Cr Anthony Middleton	Councillor
Cr Geraldine Parsons	Councillor

Officers

Mr Jeremy Edwards	Chief Executive Officer
Ms Sian Appleton	Executive Manager Corporate Services
Mrs Kylie Bergmann	Coordinator Governance

Public Gallery

2.2 APOLOGIES

Councillor Apologies

Officer Apologies

2.3 LEAVE OF ABSENCE

3 CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

3.1 24 MAY 2019

OFFICER & COMMITTEE RECOMMENDATION

THAT the Minutes of the Audit Committee held at Newman on the 24th May 2019, be confirmed as a true and correct record of proceedings.

4 OFFICER'S REPORTS

4.1 FINANCIAL MANAGEMENT REVIEW 2019

File No:	**LEG-21-1**
Attachments:	**Appendix 1 – FMR Report 2019**
Responsible Officer:	**Ms Sian Appleton** **Executive Manager Corporate Services**
Author:	**Ms Sian Appleton** **Executive Manager Corporate Services**
Location/Address:	**N/A**
Name of Applicant:	**N/A**
Author Disclosure of Interest:	**Nil**

REPORT PURPOSE

To present the Financial Management Review 2019 conducted by Moore Stephens on behalf of the Chief Executive Officer.

BACKGROUND

The Chief Executive Officer is required to undertake a review of the financial management systems and procedures for the local government at least once every three years.

The last report was completed by Moore Stephens in 2016.

A copy of the report completed by Moore Stephens is attached.

COMMENTS/OPTIONS/DISCUSSIONS

The review was completed for the period 1 July 2018 to 30 April 2019. The conclusion of the Independent Reviewer's report reads:

"Our review noted fifteen matter requiring attention and housekeeping or changes to current procedures. Addressing the issues highlighted will help to ensure the controls and procedures established are not compromised in the future and the integrity of the financial management system is maintained."

These action items will be entered into the CAMMS software program and will be monitored and reported to the Audit Committee and Council quarterly.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 6 - Financial management (Division 4 - General financial provisions) 6.10. Financial management regulations (pg 216).

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

5: Governance

Demonstrated accountability and corporate governance.

- G1 Provide efficient, accountable and ethical governance.

° *G1.1 Enhance governance capability to deliver sustainable outcomes, roads and buildings*

RISK MANAGEMENT CONSIDERATIONS

This report is part of ensuring that risk matters are reviewed periodically.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

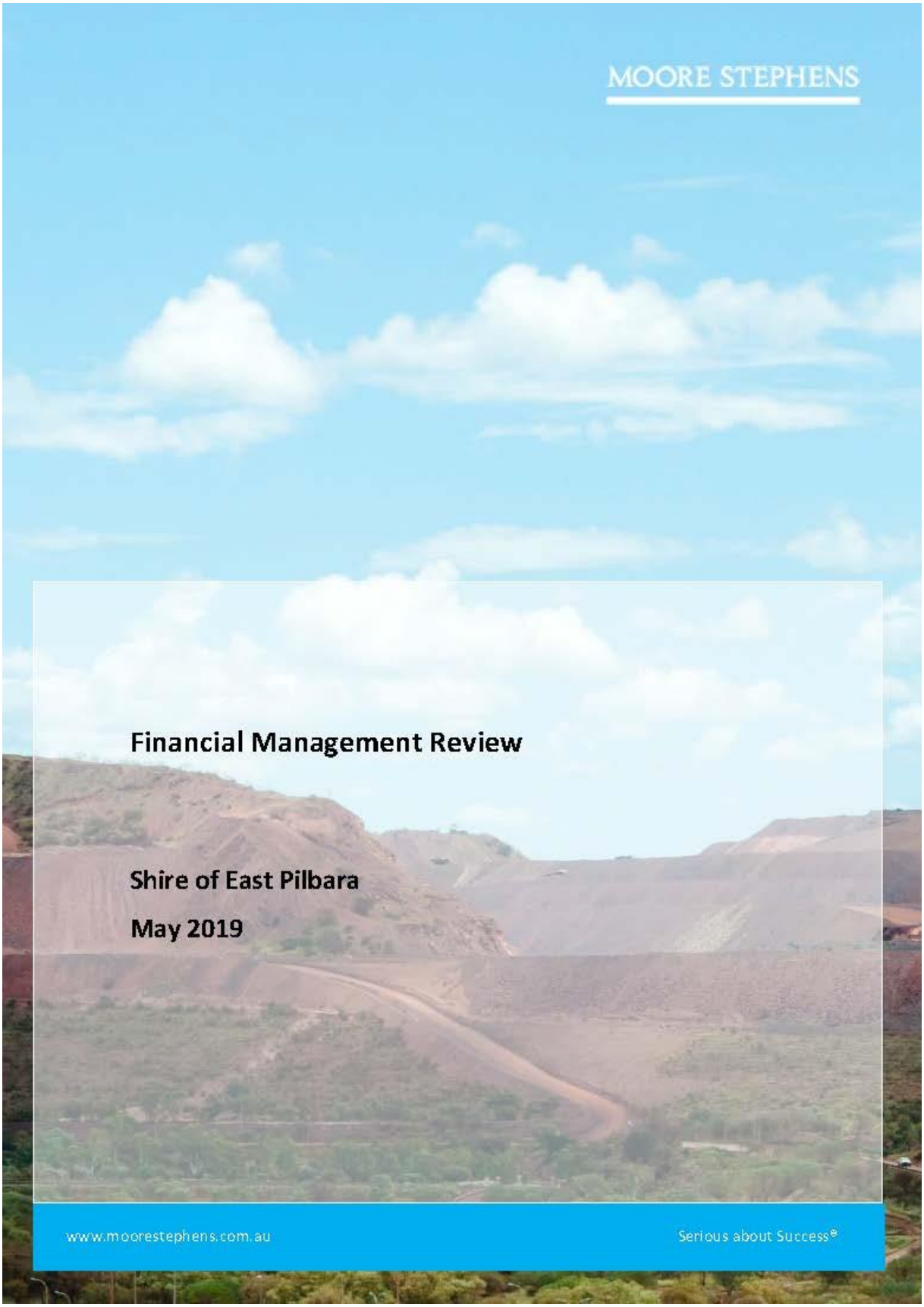
VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

That Council consider and accept the Financial Management Review as conducted by Moore Stephens as presented in accordance with paragraph 5(2) of the Local Government (Financial Management) Regulations 1996.

Appendix 1
FMR Report 2019


MOORE STEPHENS
Financial Management Review
Shire of East Pilbara
May 2019
www.moorestephens.com.au
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Disclaimer

The objective of this review as outlined in greater detail in Part 1.0 of this report as presented, is to assist the Chief Executive Officer of the Shire of East Pilbara discharge responsibilities in respect to Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 (as amended).

It has been prepared by Moore Stephens (WA) Pty Ltd for this sole purpose.

It is not intended to be used by any other individual or organisation.

Confidential – this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

Moore Stephens (WA) Pty Ltd carries on business separately and independently from other Moore Stephens member firms around Australia and worldwide. Services provided under this engagement are provided by Moore Stephens (WA) Pty Ltd and not by any other independent Moore Stephens member firm. No other independent Moore Stephens member has any liability for services provided by other members.

1.0 Executive Summary

The objective of our review as outlined in our engagement letter dated 27 February 2019 is to provide a report, based on our understanding of the Shire and associated risks, to assist the CEO to report to the local government on the appropriateness and effectiveness of the Shire's financial management systems and procedures as required by Local Government (Financial Management) Regulation 5(2)(c).

The review covered the period 1 July 2018 to 30 April 2019.

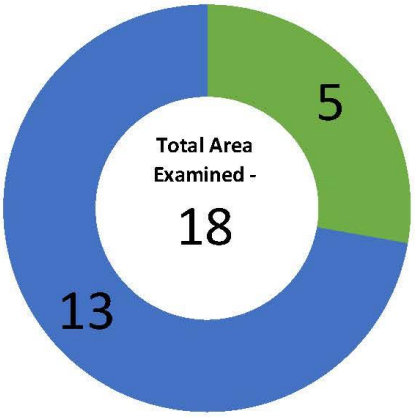
Financial systems and processes examined

Areas where controls and procedures are considered to be effective and are appropriate for the Shire's current scope of operations

- Rates
- Cost and Administration Allocations
- Inventory
- Budget
- Financial Reports

Areas where matters were noted for improvement

- Bank Reconciliations
- Trust Funds
- Receipts and Receivables
- Fees and Charges
- Purchases, Payments and Payables (Including Purchase Orders)
- Payroll
- Borrowings
- Credit Card Procedures
- Fixed Assets
- Investments
- General Journals
- Tender Process
- Storage of documents / Record Keeping / Information System



Our review included a high-level understanding of the key financial systems that support the financial processes undertaken by the Shire and the performance of review procedures designed to evaluate the appropriateness and effectiveness of the control environment of the Shire's financial management system.

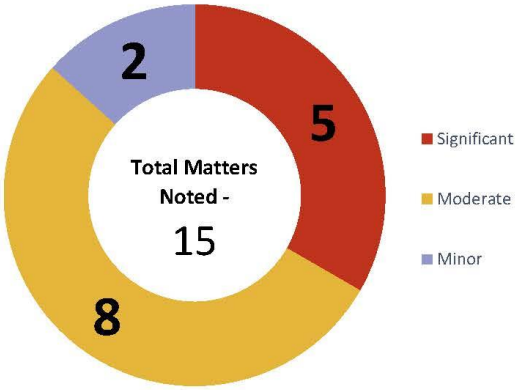
The procedures performed for each area in respect of the review have been included in **Appendix A.**

We did not necessarily examine compliance with provisions of the Act or Regulations, which were not financial in nature.

The review constitutes an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance, either expressed or implied.

1.0 Executive Summary (continued)

Matters noted summarised by risk rating



Details of the specific areas with matters noted, together with our risk ratings and recommendations can be found in part 2 commencing on page 6.

Our review noted fifteen matters requiring attention and housekeeping or changes to current procedures.

Addressing the issues highlighted will help to ensure the controls and procedures established are not compromised in the future and the integrity of the financial management system is maintained.

We trust this report will assist in the ongoing review and improvement of the Shire's financial management practices and procedures.

Please Note: The rating assessment as detailed below is our assessment based on the circumstances surrounding the procedures performed. They are intended to be read in the context of our rating assessment to the organisation as a whole. They are provided solely to assist you understand the nature of the matters raised and to prioritise any remedial action.

Key for Rating Assessment:

Significant Issue represents a weakness which will/may have an adverse effect on the ability to achieve business objectives. Requires immediate management action.	
Moderate Issue represents a weakness which may become more serious if not addressed. Requires management action within a reasonable time period.	
Minor Issue represents an opportunity for improvement. Management should consider cost benefit analysis within a reasonable time period.	

2.0 Matters Noted

Area	Rating	Matters Identified / Improvements
Bank Reconciliations		Monthly bank reconciliations for reserve bank accounts are not independently reviewed.
		Improvement: To help ensure the bank reconciliations are correct, they should be reviewed by a senior staff member independent of preparation. This review should seek to confirm the accuracy of the reconciliation and should always be evidenced accordingly.
		Management Comments: Reserve bank reconciliations are now being reviewed. This has taken place since April 2019.
Bank Reconciliations		Bank reconciliations for trust bank account are not prepared on a regular basis.
		Improvement: As bank reconciliations are of primary control importance and are the catalyst for many transactions in other ledger accounts, reconciliation of the trust bank account should be prepared on a monthly basis. To help ensure all month-end reconciliations are accurate and prepared in a timely manner, they should be reviewed by a senior staff member independent of preparation and evidenced accordingly.
		Management Comments: Trust bank reconciliations are currently only prepared every six months. These will be completed monthly from July 2019.
Trust Funds		Trust transactions are processed through the municipal bank account with journals being processed to transfer the funds received for these transactions to the trust bank account monthly. This is a breach of Section 6.6(2) of the Local Government Act 1995 which requires municipal funds to be kept separate and distinct from trust funds. Furthermore, there is an increased risk of the Shire utilising trust moneys as part of the municipal fund.
		Improvement: To help ensure compliance with statutory requirements and maintain adequate control over trust funds, all bona fide trust money should be transacted via the Trust bank account as and when the money is received or paid.
		Management Comments: Daily trust transfers are now completed - started 1 June 2019.

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements
Receipts and Receivables		The end of day receipting report did not have evidence of being independently reviewed.
		Improvement: To help ensure all funds are correctly receipted, the end of day receipting report should be reviewed by a senior staff member independent of preparation and evidenced accordingly.
		Management Comments: All end of day receipting is now independently reviewed. Our Finance Officer does audits on each area once a month.
Fees and Charges		We noted one instance where passenger fee had not been charged correctly as per the adopted schedule of fees and charges.
		Improvement: To help ensure that revenue is correctly raised and collected, a senior staff member should undertake regular reviews to ensure that amendments to the schedule of fees and charges are updated in the accounting system promptly. In addition, the posting of all revenue into the general ledger should be reviewed by a senior staff member on a regular basis and evidenced accordingly.
		Management Comments: All debtor invoice batches are now reviewed by the Coordinator Financial Services and matched to the schedule of fees and charges.
Purchases, Payments and Payables (Including Purchase Orders)		We noted one instance where a purchase order was raised after the tax invoice was received.
		Improvement: All authorised officers should be "reminded" of the need to ensure purchase orders are raised prior to the time of authorising works/services or ordering goods. This will help to ensure goods/services have been appropriately ordered and authorised, and also helps ensure budget responsibility.
		Management Comments: Procurement refresher training is currently being organised by the Procurement Department.

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements
Payroll		Payroll reconciliations have not been prepared since October 2018.
		Improvement: To help ensure all pays are bona fide and payroll is completely and correctly posted into the general ledger, salaries and wages should be reconciled every pay run to the payroll summary report and documented for review by a senior staff member independent of preparation. The independent review should seek to confirm the accuracy of the reconciliation and should be evidenced accordingly.
		Management Comments: Payroll reconciliations for the 2018/2019 financial year have now being prepared and reviewed. The reason for the lengthy review period was due to the implementation of the RDO system.
Borrowings		Reconciliation of the subsidiary register to corresponding general ledger control account for loans was not prepared on a regular basis.
		Improvement: To help ensure loans are completely and correctly posted into the general ledger, the loan register should be reconciled regularly to corresponding subsidiary ledgers and documented for review by a senior officer independent of preparation. The independent review should seek to confirm the accuracy of the reconciliation and should be evidenced accordingly.
		Management Comments: Borrowing reconciliations are now conducted on a quarterly basis, starting from June 2019.
Credit Card Procedures		We noted one instance where the monthly corporate credit card statement was not independently reviewed.
		Improvement: To help ensure the usage of corporate credit cards is in line with the Shire's credit card policy, all monthly corporate credit card statements should be reviewed by a senior staff member independent of the cardholder.
		Management Comments: The requirement for all credit card statements to be reviewed by a senior staff member has now being added to the end of month creditors checklist.

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements
Fixed Assets		From 1 July 2018, Regulation 17A(5) of the Local Government (Financial Management) Regulations 1996 requires assets with a fair value under $5,000 at the date of acquisition to be excluded from the assets reported in the financial report of a local government entity. However, our review of the Shire's fixed asset register noted it still includes a number of assets with a purchase price below $5,000.
		Improvement: To help ensure proper compliance with statutory requirements, management should update the fixed asset register and ensure any assets acquired with a fair value below $5,000 as at the date of acquisition are excluded.
		Management Comments: This is being addressed and will be observed from now on.
Fixed Assets		We noted one instance where the depreciation rate used in the fixed assets register was inconsistent with the Shire's accounting policies.
		Improvement: To help ensure fixed assets are depreciated in line with accounting policies, the depreciation rates used in the fixed assets register should be reviewed and updated where appropriate.
		Management Comments: Our Accounting Policy is due to be reviewed in October 2019.
Investments		Total term deposits held with Bankwest bank represent 100% of the Shire's investments in financial institutions or managed funds as at 30 April 2019. This percentage exceeds the maximum percentage (35%) allowed for a single institution under the Shire's current investment policy.
		Improvement: To help ensure the current investments held are in line with the Shire's investment policy in term of diversification/credit risk, the investment portfolio should be ratified as soon as practicable.
		Management Comments: This will be rectified by December 2019.

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements
General Journals		Whilst management require all general journals to be authorised and reviewed prior to posting, we noted the system generated general journal report is not independently reviewed at the month end. Hence, there is a risk that erroneous or fraudulent transactions may be processed without appropriate authorisation and independent review.
		Improvement: To ensure all journal postings have been properly authorised when raised, a senior staff member should review a system generated report of journals posted at month end. This review of the report should be evidenced accordingly.
		Management Comments: From July 2019 the system generated general journal report will be independently reviewed by a senior staff member.
Tender Process		We noted two instances where the Shire did not invite public tenders before entering into a contract with consideration worth more than $150,000 as required by the Shire's Purchasing Policy and Local Government (Functions and General) Regulation 11.
		Improvement: To help ensure compliance with statutory provisions and the Shire's Purchasing Policy, purchases of goods and services over $150,000 should only be made after calling of public tenders unless exempted.
		Management Comments: Additional controls will be put in place to ensure tenders are invited for contracts worth more than $150,000. Furthermore, annual procurement training for all staff will be undertaken.
Storage of documents / Record Keeping / Information System		Our review of the General IT Controls revealed that the Shire does not have a documented Disaster Recovery Plan.
		Improvement: To help ensure clear instructions are available for staff to refer in the event of a disaster, the Disaster Recovery Plan should be documented and adopted.
		Management Comments: Although there are processes in place for disaster recovery, the documentation has not been updated to reflect this. This is currently underway and will be completed by December 2019.

Appendix A – Review Procedures

The following procedures were undertaken in our evaluation of the financial management system controls:

System	Description
Bank reconciliations	An examination of bank reconciliations and procedures was performed for the period under review to ensure they are up to date as well as being prepared regularly and promptly for all bank accounts. We also checked the bank reconciliations were reviewed by a senior staff member independent of preparation.
Trust funds	Trust funds held by the Shire were examined through testing a sample of receipts and refunds to determine proper accountability in the Shire's financial management system and compliance with regulatory requirements.
Receipts and receivables	The Shire's end of day banking procedures were examined to determine if they are adequate in ensuring cash collections are being recorded and allocated properly to the general ledger. Detailed testing of a sample of receipts was performed. This included tracing to individual receipt detail, bank deposits, general ledger and bank statements to ensure banking was correctly performed.
Rates	The Shire's rating procedures were examined to determine if they are adequate in ensuring rates are being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger. We selected a sample of rate notices, instalment rate notices and interim rate notices for the period under review. This included: – re-performing the calculations on the rate notices; – ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rate in the dollar imposed are as per adopted budget; – ensuring the rate system is properly updated; and – checking proper posting to the general ledger.
Fees and Charges	Fees and Charges imposed at the time of budget adoption were found to be in accordance with legislative requirements. Detailed testing of a sample of fees and charges was performed. This included tracing to receipts, the adopted fees and charges schedule and the general ledger to ensure they were correctly charged, and their allocation/posting was correctly performed.
Purchases, payments and payables (including purchase orders)	A sample of payment transactions was selected and tested to determine whether purchases were authorised/budgeted, and payments were supported, certified/authorised and correctly allocated. The Shire's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.

Appendix A – Review Procedures (continued)

System	Description
Tender Process	The Shire's tender process was reviewed to determine if adequate controls were in place to ensure the tendering of services and goods is being managed properly. This included walking through a sample of tenders selected for review from inception through to award of tender against the tender register, minutes and relevant supporting documentation. The Shire's tender register was examined to ensure compliance with regulatory requirements.
Credit card procedures	A review of the Shire's credit card procedures was performed to determine if adequate controls are in place. We selected a sample of credit card transactions from 1 July 2018 to 30 April 2019 across all credit cards to determine whether they are legitimate and usual in the context of the Shire's operations. This included: - sighting tax invoices; - ascertaining whether the transactions are for bona fide Shire business; and - determining whether transactions are in line with the credit card policy.
Payroll	Detailed testing of a sample of individual employees was selected from different pay runs and for each employee's pay the following tests were performed to help ensure: - the employee existed; - the correct rate of pay was used; - non-statutory deduction authorities are on hand; - time sheets were properly completed and authorised; - hours worked were properly authorised; and - allocations were reasonable and correctly posted. We also tested the first pay of a sample of new employees and the last pay of a sample of terminated employee. The Shire's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled.
Inventory	The Shire's inventory system and procedures was examined to determine if stock has been properly managed and recorded. This included review of the controls over receipts, issues of stock and updating the stock ledger against regular stock takes.
Cost and administration allocations	The Shire's cost and administration allocation system was examined to determine if indirect costs have been properly allocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed.

Appendix A – Review Procedures (continued)

System	Description
Fixed assets (including depreciation, acquisition, and disposal of property)	The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined. A sample of asset additions and disposals was selected and testing performed to ensure: - the tax invoices existed; - correct posting to the general ledger; - fixed assets register was promptly updated; and - classification of assets was correct. In addition, a sample of assets was selected and testing performed to ensure the depreciation rates used are in line with the Shire's accounting policy. The Shire's asset register was also reviewed for assets acquired for less than $5,000 due to the addition of Regulation 17A(5) to the Local Government (Financial Management) Regulations as of 1 July 2018.
Borrowings	A review of the Shire's controls and procedure over borrowings was performed to determine if borrowings were properly recorded and managed. This includes the review of controls over the take-up of loans, repayments of loans and updating of the Shire's loan register against regular reconciliations.
Investments	A review of the Shire's controls and procedures over investments was performed to determine if investments were properly recorded and managed in line with Local Government (Financial Management) Regulations.
Budget	The Shire's budgetary system and procedures was examined to determine if: - A structured process is in place and being managed properly; - The Budget includes all relevant and necessary details and was properly adopted; and - The Budget is subject to proper half yearly review and variances are properly dealt with; and We also checked to ensure the annual budget and the budget review documents have been lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframe.
Financial Reports	A review of the Shire's systems and procedures over the annual financial report and monthly financial reports was performed to determine if: - Structured reporting processes are in place and being properly managed; - Reports are properly constructed based balanced trial balances; - Reports include all relevant and necessary details as required for proper financial/management reporting purposes; and - Monthly reports with variance analysis are presented to Council in a timely manner. We also checked to ensure the annual financial report has been adopted by Council and lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframes.

Appendix A – Review Procedures (continued)

System	Description
General Journals	The Shire's Journal procedures were examined to determine if they were sufficiently reviewed / approved at every staff level before processing.
Storage of documents / Record keeping / information system	The Shire's record keeping / storage system and IT general control environment surrounding its information systems (such as access to the computer system, regular changes to passwords and data backup) were examined to determine if adequate controls and safeguards are in place.

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4.2 REGULATION 17 REVIEW - IMPROVEMENT PLAN UPDATE

Attachments:	**Appendix 1 – Reg 17 Improvement Plan**
Responsible Officer:	**Ms Sian Appleton** **Executive Manager Corporate Services**
Author:	**Ms Sian Appleton** **Executive Manager Corporate Services**
Location/Address:	**N/A**
Name of Applicant:	**N/A**
Author Disclosure of Interest:	**Nil**

REPORT PURPOSE

To report on the status of the Regulation 17 Review Improvement Plan.

BACKGROUND

Pursuant to the Local Government (Audit) Regulations 1996 (the regulations), Regulation 17 requires that the Chief Executive Officer undertakes a review of the appropriateness and effectiveness of its systems and procedures in regard to Risk Management, Legislative Compliance and Internal Control Frameworks.

Previously reviews of Council's audit systems needed to be carried out every two years. The regulations were revised and gazetted on Tuesday, 26 June 2018 to conduct the review no less than every three years. This means that the Shire of East Pilbara will not be required to complete another review until 2021.

In February 2019 Moore Stephens undertook this review for the CEO and the report was presented to the Audit Committee on the 22nd February 2019 and subsequently at the Ordinary Council Meeting dated 22nd February 2019.

From this report a Regulation 17 Improvement Plan was created and entered into Council's CAMMS Strategic Planning software for monitoring.

COMMENTS/OPTIONS/DISCUSSIONS

Attached is a copy of the CAMMS reporting document.

Currently there are 42 actions reported on. All actions are currently on target with the exception of one which is being monitored.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 7 - Audit (Division 4 - General) 7.13. Regulations as to audits (pg 274)

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

5: Governance

Demonstrated accountability and corporate governance.

- G1 Provide efficient, accountable and ethical governance.

° *G1.1 Enhance governance capability to deliver sustainable outcomes, roads and buildings*

RISK MANAGEMENT CONSIDERATIONS

As set out in the CAMMS report for each action item.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

That Council review and receive the CAMMS Regulation 17 Improvement Plan status report as presented at Appendix Two.

Appendix 1
Reg 17 Improvement Plan

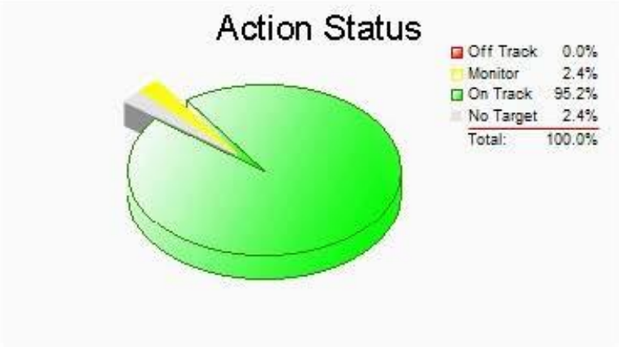
Shire of East Pilbara

Regulation 17 Risk Improvement Plan

July 2019

Report Filters:

Date From :01-07-2019
Date To :31-07-2019
Display Task : No
Action Filter :Show All



42 Actions reported on
40 At least 90% of action target achieved
1 Between 70 and 90% of action target achieved
0 Less than 70% of action target achieved
1 Actions with no target set

Commercial Services

Airport Services

STRATEGY: **5.1.1 Enhance governance capability to deliver sustainable outcomes**

Action	*Responsibility*	*Action Status*	*Start Date*	*End Date*	*% Comp.*	*Target*	*% On Target*
5.1.1.37 17D - Risk management practices at the airport should be undertaken in accordance the Shires Risk Management Policy and procedures. These procedures provide the framework for the rating of identified risk and reporting of risks when identified along with the routine reporting on the status of treated risks. HIGH RISK	Ben Lewis - Executive Manager - Commercial Services	In Progress	17/02/2019	31/12/2021	75%	0%	GREEN

Service Profile	*Budget Type*	*Budget*	*YTD Budget*	*YTD Actual*	*YTD Variance*
6.2 Airport Services	Operating				

ACTION PROGRESS COMMENTS

8/3/19 - Implementation of shire wide incident and hazard reporting has been rolled out at the airport for all staff and subcontractors. HSE contractor inductions have been undertaken with the majority of the major contractors. This process is utilising the shire wide reporting process.
8/8/19 - The airport is now aligned and using the same processes as the rest of the organisation with the exception of the airport air side operations which are required to be operated under CASA legislation and requirements. There will be some ongoing adjustment and monitoring to be undertaken

Last Updated - 08/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Procurement and Contracts

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.21 17D - Amend the Policy to provide the following: Purchasing requirements for the renewal or variation of contracts which did not arise from a public tender. HIGH RISK	Dawn Ronchi - Contract Procurement Officer	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Policy Updated

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.29 17D - All procurement of goods or services should be undertaken in accordance with the Procurement Policy and legislative requirements, regardless of the type of service or goods. HIGH RISK	Dawn Ronchi - Contract Procurement Officer	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Processes currently under review to ensure all procurement is undertaken in accordance with legislation.
6/8/19 - Internal Auditing Process set up and being undertaken regularly.

Last Updated - 06/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.30 17D -To help ensure probity and fairness when assessing tenders, procedures for the declaration of interests prior to assessing tender should be documented. Purchases over $150,000 should be subject to the same assessment procedures as those applied to tenders. MEDIUM RISK	Dawn Ronchi - Contract Procurement Officer	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Prrocess updted.

Last Updated - 22/05/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.31 17D - To help support probity and fairness when assessing responses to requests for quotation, the process undertaken should be documented. The process to be followed should require a higher level of probity and due diligence, the higher the value or risk associated with the purchase. MEDIUM RISK	Dawn Ronchi - Contract Procurement Officer	In Progress	17/02/2019	31/12/2021	30%	25%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Processes currently under review.
6/8/19 -It is already an internal process that as per the Tender process - the formal RFQ's are evaluated by set criteria and by 3 Panel members, and this has been the case. The process/procedure shall be written more clearly.

Last Updated - 06/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.40 17D - To help ensure all contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be developed, and records maintained to ensure copies of contractor's insurances are held on file. HIGH RISK	Dawn Ronchi - Contract Procurement Officer	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.2 Management of Contracts, Leases and MOU's	Operating				

ACTION PROGRESS COMMENTS

Process updated.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.47 17D - To maintain the confidentiality of submissions received values of submissions received be removed from the tender register. MEDIUM RISK	Dawn Ronchi - Contract Procurement Officer	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Process updated.

Last Updated - 22/05/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.59 17D - "Values were entered onto Manual Purchase orders after the goods were received. Purchase orders were issued after receipt of the goods or services "	Dawn Ronchi - Contract Procurement Officer	In Progress	17/02/2019	31/12/2021	50%	50%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
9.1 Procurement	Operating				

ACTION PROGRESS COMMENTS

Review of processes and refresher training currently being considered. Finance working with Technical services to abolish manual purchase order books.
6/8/19 - Use of manual PO books were ceased mid July 19 with manual PO books returned to Finance. The use of Manual Requisition Books for a small number of remote staff are now in place - this will alleviate Purchase Orders being created without values and/or gl's. Finance and CPO have started to sit with Tech Services staff in a small training session environment. The use of the Req Books is currently being monitored - so have set the Completion level to 50%.

Last Updated - 06/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Corporate Services

Financial Services

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.22 17D - Rescind the Policy or alternatively review and amend the policies requiring Financial Statements to be prepared in accordance with Statutory requirements. MEDIUM RISK	Lisa Davis - Manager Corporate Services	Completed	17/02/2019	31/12/2021	100%	25%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Policy updated and presented to Council at the August OCM.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.33 17D - Given the high value of fees and charges in relation to the airport operations routine documented verification of the accuracy of fees and charges raised should be undertaken. MEDIUM RISK	Lisa Davis - Manager Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Processes being reviewed to determine how fee accuracy can be verified.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.34 17D - Review controls in relation to records to ensure records are maintained in accordance with statutory requirements and the Record Keeping Plan. HIGH RISK	Lisa Davis - Manager Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.2 Records Management	Operating				

ACTION PROGRESS COMMENTS

09/08/2019 - Senior System Support/ Records Officer appointed in May 2019, position its within the Records Room and monitors records and the logging out process.
Scanning system and barrier installed to Records Room limiting access.
Vital records are now held within the Records Room in locked cabinet.

Last Updated - 09/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.35 17D - Creation and maintenance of standard checklists may assist in evidencing key points of control and serve as a reminder. Checklists are of assistance in ensuring compliance with repetitive legislative compliance tasks. HIGH RISK	Lisa Davis - Manager Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Detailed assessment being first undertaken to determine key areas where checklists are needed.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.39 17D - In line with departmental guidelines, all officers issued with credit cards should sign a credit card agreement prior to the issuing of the credit card. Credit cards should physically be maintained by the person in whose name they are issued and credit card details should not be shared with other staff. HIGH RISK	Lisa Davis - Manager Corporate Services	In Progress	17/02/2019	31/12/2021	80%	100%	YELLOW

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Credit Card Agreements are now implemented and signed. Whole process still being improved.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.41 17D - The list of payments made by the CEO under delegated authority should be presented to Council with only the minimum information required by legislation. HIGH RISK	Lisa Davis - Manager Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

New process for presentation of creditors to Council complete to ensure compliance with legislative requirements.

Last Updated - 22/05/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.42 17D - Prepare the Monthly Statements in accordance with legislative requirements. HIGH RISK	Lisa Davis - Manager Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

New template introduced for the reporting on the monthly statements to meet legislative compliance.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.49 17D - Outstanding items identified within the Financial Management Review be addressed. HIGH RISK	Lisa Davis - Manager Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
20.1 Financial Services	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Being dealt with through the update Financial Management Review

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Human Resources

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.36 17D - In conjunction with, or as an alternative to, the development of documented procedures and checklists, update and development of workflow process diagrams may assist in clearly identifying controls and processes to be followed. MEDIUM RISK	Robin Austen - Manager Human Resources	Not Started	17/02/2019	31/12/2021	0%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
10.1 Human Resource Management	Operating				

ACTION PROGRESS COMMENTS

Task assigned to both HROs to work on documenting procedures and developing relevant workflow diagrams.

Last Updated - 28/06/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.53 17D - OH&S induction is currently undertaken by the supervisors however; evidence of the induction being undertaken is not available for all employees as a signed 'Induction Completion Form' is not filed on each employee's personnel file. MEDIUM RISK	Robin Austen - Manager Human Resources	Not Started	17/02/2019	31/12/2021	0%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
10.2 Occupational Health and Safety	Operating				

ACTION PROGRESS COMMENTS

Manager Human Resources position vacant for six months. Position now filled and processes will be reviewed.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.56 17D - A risk register be maintained consistent with the entity risk matrix, enabling reporting and review of OH&S risks identified.	Robin Austen - Manager Human Resources	Not Started	17/02/2019	31/12/2021	0%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
10.2 Occupational Health and Safety	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Manager Human Resources position vacant for six months. Position now filled and processes will be reviewed.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

STRATEGY: **5.1.3 Provide a great place to work**

Action	*Responsibility*	*Action Status*	*Start Date*	*End Date*	*% Comp.*	*Target*	*% On Target*
5.1.3.317D - Continuing with the development of a staff training matrix to identify staff training needs relevant to their role is important to ensuring it is co-ordinated across the organisation.	Robin Austen - Manager Human Resources	In Progress	17/02/2019	31/12/2021	10%	10%	GREEN

Service Profile	*Budget Type*	*Budget*	*YTD Budget*	*YTD Actual*	*YTD Variance*
10.1 Human Resource Management	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Currently adding/populating information on all positions for training/certification needs and concurrently linking these to the occupants of the position. This is a VERY slow process.

To date HR has completed the following;
- developed staff register to audit and update training/certification needs
- all new employees have their training/certification needs completed based on their position
- Existing employees - on receipt of their Performance Appraisals the process is completed
- existing employees are being worked through however, this will take some time.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Information Communication and Technology

STRATEGY: **5.1.1 Enhance governance capability to deliver sustainable outcomes**

Action	*Responsibility*	*Action Status*	*Start Date*	*End Date*	*% Comp.*	*Target*	*% On Target*
5.1.1.32 17D - We noted limited controls in relation to the access to IT systems both physical access to hardware and network access to software and data. MEDIUM RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	*Budget Type*	*Budget*	*YTD Budget*	*YTD Actual*	*YTD Variance*
23.1 Information Communication and Technology	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Physical access is limited by key entry. This will be replaced by swipe entry over the next few months. EMCS is currently working with consultants to diagramise access map to all network and application information.

Last Updated - 14/08/2019

Action	*Responsibility*	*Action Status*	*Start Date*	*End Date*	*% Comp.*	*Target*	*% On Target*
5.1.1.52 17D - Routine testing of the effectiveness of the Plan through annual system recovery testing be undertaken. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	*Budget Type*	*Budget*	*YTD Budget*	*YTD Actual*	*YTD Variance*
23.1 Information Communication and Technology	Operating				

ACTION PROGRESS COMMENTS

30/07/2019 - EMCS working with IT consultant to establish a routine testing regime of data recovery.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Strategic and Business Planning

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.20 17D - Review and update the Corporate Business Plan to ensure it remains current. MEDIUM RISK	Sian Appleton - Executive Manager - Corporate Services	Completed	17/02/2019	31/12/2021	100%	100%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/05/2019 - The Corporate Business Plan has been updated and accepted by Council at their OCM26062019.
The process of updating the Corporate Business Plan annually has been entered into the budget process steps. The CBP will be updated by February every year.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.24 17D - Given recent staffing changes, update and review the Business Continuity Plan, identify and document key business continuity risks along with the treatments to reduce the risk to an acceptable level. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Resources allocated to project. Scope currently being developed.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.25 17D - Review and update the Disaster Recovery Plan, identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Resources allocated to project. Scope currently being created. Working with our IT consultants regarding the IT portion of the plan.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.27 17D - Risk management procedures and process require review and updating in accordance with the latest risk management standard (ISO 31000:2018). HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	80%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Risk Management procedures and process reviewed internally and sent to LGIS for comment. Final updated documentation due for completion shortly.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.44 17D - Prepare the Statutory Budget in accordance with legislative requirements. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	Completed	17/02/2019	31/12/2021	100%	100%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

New process and template established to ensure compliance.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.45 17D - Maintaining risk registers for all identified risks is important to help ensure significant or high risks are adequately treated. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	50%	50%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/05/2019 - Risk workshops with LGIS organised for June which will result in an updated Risk Register.
31/07/2019 - Risk controls workshops held with LGIS consultant and managers/ exec. Final updating of controls underway and once completed will be entered into CAMMS risk module for actions and monitoring.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.50 17D - Risk management procedures implemented uniformly across the organisation. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	50%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/05/2019 - Risk Management processes currently being review and will then be rolled out to whole organisation.
31/07/209 - Particular focus on bringing the aiport risk process in line with organisational processes.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.51 17D - A central risk register routinely maintained as required by the Policy. HIGH RISK	Sian Appleton - Executive Manager - Corporate Services	Completed	17/02/2019	31/12/2021	100%	100%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/05/2019 - A central register is maintained and is currently being updated.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.54 17D - A single entity-wide Risk Register of identified risks be maintained, with key organisational risks identified and residual risk levels assessed and recorded. MEDIUM RISK	Sian Appleton - Executive Manager - Corporate Services	In Progress	17/02/2019	31/12/2021	50%	50%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - All Risk Management processes currently under review.

Last Updated - 14/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.57 17D - Management continue to monitor the risk register and discuss any identified risk matters in their meetings.	Sian Appleton - Executive Manager - Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - On Executive Team meeting agenda. Ongoing action.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.58 17D - The improvements detailed within this report be adopted as an Improvement Plan to progress risk management at the Shire. MEDIUM RISK	Sian Appleton - Executive Manager - Corporate Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
2.1 Risk Management and IPR	Operating				

ACTION PROGRESS COMMENTS

Risk Improvement plan now entered into CAMMS software and reported to the Audit Committee and Council quarterly.

Last Updated - 22/05/2019

Executive Services

Governance

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.23 17D - Following review of Policies by Council, update the latest Review/Amendment Date on the Policy to provide an accurate record of when the Policy was reviewed. MEDIUM RISK	Kylie Bergmann - Coordinator Governance	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
16.1 Corporate Governance	Operating				

ACTION PROGRESS COMMENTS

New process implemented to provide accurate record of policy review.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.28 17D - Establish process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, to assist with managing changes to procedures. HIGH RISK	Kylie Bergmann - Coordinator Governance	In Progress	17/02/2019	31/12/2021	15%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
16.1 Corporate Governance	Operating				

ACTION PROGRESS COMMENTS

Processes currently being reviewed.

Last Updated - 22/05/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.43 17D - Residual risks following a Council decision should be evaluated and recorded as required by the risk management framework. MEDIUM RISK	Kylie Bergmann - Coordinator Governance	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
16.1 Corporate Governance	Operating				

ACTION PROGRESS COMMENTS

31/07/2019 - Processes currently being reviewed.

Last Updated - 14/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.46 17D - Maintain a gift register on the Shire's website in accordance with legislative requirements. HIGH RISK	Kylie Bergmann - Coordinator Governance	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
16.1 Corporate Governance	Operating				

ACTION PROGRESS COMMENTS

The gift register is maintained through the ATTAIN online compliance system. We now have a process in place to ensure that the register is downloaded once a month and uploaded to the website.

Last Updated - 05/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.48 17D - To confirm adherence to documented policies and procedures and assist in the identification of internal control weaknesses an internal audit function is required to be established. MEDIUM RISK	Kylie Bergmann - Coordinator Governance	In Progress	17/02/2019	31/12/2021	5%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
16.1 Corporate Governance	Operating				

ACTION PROGRESS COMMENTS

Process to establish internal auditing function currently being investigated.

Last Updated - 22/05/2019

Infrastructure Services

Natural Resource Management

STRATEGY: **4.2.1 Conserve natural vegetation, green spaces and bushland**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
4.2.1.2 17D - Undertake risk assessments in relation to each of the potentially contaminated sites and identify appropriate treatment plans. HIGH RISK	Edmore Masaka - Development Services - Health	In Progress	17/02/2019	31/12/2021	10%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
21.1 Landfill Management	Operating				

ACTION PROGRESS COMMENTS

31/05/2019 Several contaminated sites exist within Shire properties. The extent of contamination and risks associated with these sites is to be determined.
Initial steps taken to scope detail of risk assessments.

Last Updated - 05/08/2019

STRATEGY: **5.1.1 Enhance governance capability to deliver sustainable outcomes**

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.38 17D - Undertake a detailed review of all controls in relation to the waste facility. In particular, if possible, remove or significantly reduce the potential amount of cash received at the waste facility, through use of pre-purchased vouchers etc. Should cash continue to be accepted, appropriate procedures and controls are required. MEDIUM RISK	Raees Rasool - Executive Manager Infrastructure Services	In Progress	17/02/2019	31/12/2021	2%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
21.2 Waste Collection and Recycling	Operating				

ACTION PROGRESS COMMENTS

Project will be deferred until a new manager of waste services and a graduate engineer can be engaged

16/05/2019 - Project is still deferred, however staff have commenced work on a waste management plan which will highlight how we can improve the facility. In combination with the new manager of waste services and a graduate engineer this will provide the necessary resources to scope and review the facility with the view of increasing operational revenue from liquid waste. Waste Manager position has been advertised and the EMIS is liaising with universities to sell the graduate opportunity. Advertising for the graduate engineering role is planned to occur around June/July of 2019
10/06/2019 - Graduate role applications close on the 1st July 2019. Interviews for Manager of Waste completed with a view to commence in July
08/08/2019 - Manager of Waste Services commenced on the 29th of July 2019 and is finalizing a waste management plan for council to review as part of the september meeting. Graduate role interviews were undertaken. 153 applicants applied and the successful candidate has accepted their offer. Graduate is due to commence in September 2019.

Last Updated - 08/08/2019

Shire of East Pilbara **Action & Task Progress Report**

Project Management

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.26 CBP and 17D - Update and finalise asset management plans and present to Council for adoption. MEDIUM RISK Treatment Plans identified within asset management plans be monitored to ensure risks are reduced to an acceptable level. MEDIUM RISK	Raees Rasool - Executive Manager Infrastructure Services	Ongoing	17/02/2019	31/12/2021		0%	

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
11.2 Asset Management	Operating				

ACTION PROGRESS COMMENTS

08/08/2019 - Risk treatment will form part of the asset management plans. Draft asset management plans are being progressed for roads, parks and gardens and WWTP assets. As these are finalised they will be presented to council for adoption/consideration however resourcing constraints and priority being given to project delivery is taking away from asset management planning

Last Updated - 08/08/2019

Action	Responsibility	Action Status	Start Date	End Date	% Comp.	Target	% On Target
5.1.1.55 17D - Treatment Plans identified within asset management plans be monitored to ensure risks are reduced to an acceptable level. MEDIUM RISK	Raees Rasool - Executive Manager Infrastructure Services	Completed	17/02/2019	31/12/2021	100%	0%	GREEN

Service Profile	Budget Type	Budget	YTD Budget	YTD Actual	YTD Variance
11.2 Asset Management	Operating				

ACTION PROGRESS COMMENTS

Risk Assessments undertaken in accordance with ISO31000:2009 are included within the Asset Management Plans. Whilst the assessments appear appropriate the basis for the various ratings are not apparent. No subsequent reporting on effectiveness of the treatment Plans in reducing risk has been undertaken.

08/08/2019 - Risk treatment will form part of the asset management plans and so further reporting is not required

Last Updated - 08/08/2019

4.3 FRAUD AND CORRUPTION PREVENTION PLAN UPDATE

Attachments:	**Appendix 1 – Fraud Plan Update**
Responsible Officer:	**Mr Jeremy Edwards** **Chief Executive Officer**
Author:	**Mrs Kylie Bergmann** **Coordinator Governance**
Location/Address:	**N/A**
Name of Applicant:	**N/A**
Author Disclosure of Interest:	**Nil**

REPORT PURPOSE

To report on the status of the Fraud and Corruption Prevention Plan.

BACKGROUND

On the 8th-9th of April 2019, the Office of Auditor General conducted a performance audit on fraud and prevention in local government. The Shire of East Pilbara was one of 5 local governments chose for this audit.

COMMENTS/OPTIONS/DISCUSSIONS

The administration has been advised that the report will be tabled in Parliament on Thursday 15 August 2019, and a copy of the report will be made available after tabling.

At the time of compiling the Agenda, a copy of the report was not yet available. A copy will be emailed and distributed to Councillors on the day of the Audit Committee meeting.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil.

POLICY IMPLICATIONS

1.15 FRAUD AND CORRUPTION PREVENTION POLICY

STRATEGIC COMMUNITY PLAN

5: Governance

Demonstrated accountability and corporate governance.

- G1 Provide efficient, accountable and ethical governance.

° *G1.1 Enhance governance capability to deliver sustainable outcomes, roads and buildings*

RISK MANAGEMENT CONSIDERATIONS

To ensure that the administration is reporting to the Audit Committee and Council on the Fraud and Corruption Prevention Plan.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

That the Audit Committee review and receive the Fraud & Corruption Prevention Plan report as presented at Appendix 1.

Appendix 1
Fraud Plan Update

SYCLE
Organisation Empowerment System

Action and Task Progress Report

Shire of East Pilbara

Print Date: 15-Aug-2019

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ACTION PLANS

GREEN — At least 90% of action target achieved
AMBER — Between 70% and 90% of action target achieved
RED — Less than 70% of action target achieved
No target set

* Dates have been revised from the Original dates

Corporate Services

Human Resources

10.1 Human Resource Management

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.2 FR - Fraud and Corruption Control responsibilities incorporated into the performance management system.	Robin Austen - Manager Human Resources	In Progress	01-Jul-2019	30-Jun-2020	10.00%	100.00%	RED

ACTION PROGRESS COMMENTS:
New software purchased to undertake performance appraisals electronically. New measure will be added addressing fraud and corruption responsibilites.
Rollout expected August 2019

Last Updated: 08-Apr-2019

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.3 FR - Preventing fraud and corruption should be specified in the position description of line managers.	Robin Austen - Manager Human Resources	In Progress	01-Jul-2019	30-Jun-2020	50.00%	100.00%	RED

ACTION PROGRESS COMMENTS:
05/01/2019 - New risk information now being added to all PD's as PD's are reviewed either by vacancy or performance appraisals. Further addition needed regarding line managers specifically to do with fraud and corruption.

Last Updated: 24-Jun-2019

Shire of East Pilbara — Action and Task Progress Report

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.5 FR - Improve employment screening Validate applicant qualifications, transcripts and other certifications Verify identity requiring at least two forms of identity documentation Ensure police clearances for all employees is received Consider any gaps in employment history and reasons for those gaps Ensure Working with Children Checks are obtained for all relevant staff. Re-validation checks of criminal history	Robin Austen - Manager Human Resources	In Progress	01-Jan-2019	30-Jun-2020	90.00%	100.00%	GREEN
ACTION PROGRESS COMMENTS: Only item now requiring attention is; Consider any gaps in employment history and reasons for those gaps - this will be included in Recruitment and Selection Procedure Last Updated: 28-Jun-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.98 FR - Undertake staff training on receiving and reporting gifts - (within induction)	Robin Austen - Manager Human Resources	Not Started	01-Jul-2019	31-Mar-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: See actions and task allocation for 5.1.1.102 FR which includes the requirement for separate induction for Accountable and Ethical Decision Making to cover reporting of fraud and corruption; receiving gifts and benefits and conflicts of interest. Last Updated: 28-Jun-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %

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5.1.1.102 FR - Update Induction Process to include Fraud and Corruption items including - Alternative ways to report allegations of fraud or unethical conduct	Robin Austen - Manager Human Resources	In Progress	01-Jul-2019	30-Jun-2020	5.00%	100.00%	RED
ACTION PROGRESS COMMENTS: Assigned to HR Officer to develop and implement Last Updated: 28-Jun-2019							

Customer and Community Services

Customer and Stakeholder Services

14.3 Stakeholder Management - Collective Impact

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.4 FR - Communicate fraud and corruption awareness through the Staff Newsletter.	Amanda Curby - Media Relations Officer	In Progress	01-Jul-2019	31-Dec-2019	10.00%	100.00%	RED
Last Updated: 31-Aug-2018							

Executive Services

Governance

16.1 Corporate Governance

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.6 FR - Develop a policy of mandatory reporting of known or suspected fraud or corruption.	Kylie Bergmann - Coordinator Governance	Completed	01-Oct-2018	30-Jun-2020	100.00%	100.00%	GREEN
ACTION PROGRESS COMMENTS: Executive Managers Team (EMT) considered mandatory policy however decided at this stage to defer. See exec minutes. Last Updated: 05-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.93 FR - Perform Annual Internal Audits against the Fraud and Corruption Plan in line with the Internal Controls Policy	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	30-Apr-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - Currently no capacity within the governance team to undertake internal audits. Need to consider more resourcing in this area. Last Updated: 08-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.94 FR - Appoint a Fraud and Corruption Officer	Jeremy Edwards - Chief Executive Officer	Not Started	01-Jul-2019	31-Mar-2020	0.00%	100.00%	RED
Last Updated: 24-Jun-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.95 FR - Annually review the Corporate Governance Framework - Completed January each year.	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	31-Mar-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - To be reviewed in September 2019. Last Updated: 08-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.96 FR - Annually Review, Maintain and Communicate the Shire's Code of Conduct - Reviewed Annually in June	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	30-Jun-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - 2019 review has not been completed yet due to changes in the Local Government Act. A model Code of Conduct will become mandatory for all Councils to adopt. The new model code will be put up to Council when it is made available - expected by December 2019. Last Updated: 08-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.97 FR - Biennually review the Declaration of Interest Procedures - Next Review 19/20 year	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	30-Jun-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - Review scheduled for November 2019 Last Updated: 08-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.99 FR - Review, maintain and communicate the Shire's Internal Controls Policy Annually	Sian Appleton - Executive Manager - Corporate Services	Completed	01-Jul-2019	31-Mar-2020	100.00%	100.00%	GREEN
ACTION PROGRESS COMMENTS: 31/07/2019 - Process for internal control policy review in place. Last Updated: 14-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.101 FR - Ensure updates and changes to fraud related policices, procedures, Code of Conduct etc. are effectively communicated to all employees	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	31-Mar-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - Ongoing. Review currently in progress as to how we can better communicate our policies and procedures. Last Updated: 08-Aug-2019							

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.103 FR - Maintain and review Public Interest Disclosure Guidelines - Reviewed Biennially in May	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	30-Jun-2020	0.00%	100.00%	RED
ACTION PROGRESS COMMENTS: 08/08/2019 - PID Guidelines are to be reviewed biennially - next review May 2020 Last Updated: 08-Aug-2019							

Shire of East Pilbara — Action and Task Progress Report

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET	ON TARGET %
5.1.1.104 FR - Develop a policy of mandatory reporting of known or suspected fraud or corruption	Kylie Bergmann - Coordinator Governance	Not Started	01-Jul-2019	31-Mar-2020	0.00%	100.00%	RED
Last Updated: 24-Jun-2019							

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4.4 REVIEW OF ORGANISATIONAL RISK REGISTER

Attachments:	**Appendix 1 - Organisation Risk Report**
Responsible Officer:	**Ms Sian Appleton** **Executive Manager Corporate Services**
Author:	**Mrs Kylie Bergmann** **Coordinator Governance**
Location/Address:	**N/A**
Name of Applicant:	**N/A**
Author Disclosure of Interest:	**Nil**

REPORT PURPOSE

To report on the identified high and extreme strategic and operational risks.

BACKGROUND

Pursuant to Regulation 17 of the *Local Government (Audit) Regulations 1996,* the CEO is to review the Shire's systems and procedures in relation to risk management, internal control and legislative compliance, at least every 2 years.

In 2018, the Shire engaged Moore Stephens to undertake this review.

One of the improvements suggested by Moore Stephens is that the Audit Committee receive quarterly reports of identified high and extreme strategic and operational risks.

COMMENTS/OPTIONS/DISCUSSIONS

At the last Audit Committee meeting, we advised that the Shire had scheduled a Risk Workshop to take place on 5-7 June 2019. Those workshops were facilitated by Mark Harris from LGIS. We are currently updating our risk profiles and controls and will report these to you at the next Audit Committee Meeting.

STATUTORY IMPLICATIONS/REQUIREMENTS

Regulation 17 of the *Local Government (Audit) Regulations 1996.*

POLICY IMPLICATIONS

Risk Management Policy
Risk Management Strategy
Risk Management Procedures

STRATEGIC COMMUNITY PLAN

5: Governance

Demonstrated accountability and corporate governance.

- G1 Provide efficient, accountable and ethical governance.

° *G1.3 Provide a great place to work*

RISK MANAGEMENT CONSIDERATIONS

To monitor and mitigate all risk considerations.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

That the Council note that the Risk Profiles and Controls will be updated and reported at the next Audit Committee meeting.

5 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS

6 GENERAL BUSINESS

7 DATE OF NEXT MEETING

To be advised.

8 CLOSURE