Shire of
Koorda
Drive in, stay awhile

MINUTES

Audit & Risk Committee Meeting
Held in Shire of Koorda Council Chambers
10 Haig Street, Koorda WA 6475
Wednesday 19 March 2025
Commencing 4.00pm

NOTICE OF MEETING

Dear Audit & Risk Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Koorda will be held on Wednesday 19 March 2025 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Zac Donovan
Chief Executive Officer
14 March 2025

DISCLAIMER

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The Shire of Koorda 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.

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, and statement or intimation of approval made by a member or officer of the Shire of Koorda during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Koorda.

The Shire of Koorda warns that anyone who has any application lodged with the Shire of Koorda 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 Koorda in respect of the application.

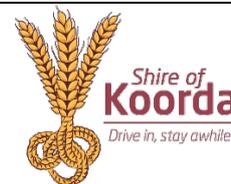To be read aloud if any member of the public is present.

Signed

Zac Donovan
Chief Executive Officer

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Shire of Koorda **Audit & Risk Committee Meeting** **4.00pm, Wednesday 19 March 2025**	Shire of Koorda *Drive in, stay awhile*

1. Declaration of Opening

The Presiding person welcomes those in attendance and declares the meeting open at 4.02pm.

2. Record of Attendance, Apologies and Leave of Absence

Committee Members:

Cr JM Stratford	President & Chair
Cr NJ Chandler	Member
Cr GL Boyne	Member

Staff:

Mr Z Donovan	Chief Executive Officer
Miss L Foote	Deputy Chief Executive Officer

Visitors:

Cr GW Greaves	4.05pm

Apologies:

Approved Leave of Absence:

3. Public Question Time
Nil.

4. Disclosure of Interest
Nil.

5. Confirmation of Minutes from Previous Meetings

5.1. Audit & Risk Committee Meeting held on 18 December 2024
Click here to view the previous minutes

Voting Requirements ☒Simple Majority ☐Absolute Majority

Committee Recommendation

Moved Cr GL Boyne   **Seconded Cr NJ Chandler**

That, in accordance with Sections 5.22(2) and 3.18 of the *Local Government Act 1995,* the Minutes of the Audit & Risk Committee Meeting held 18 December 2024, as presented, be confirmed as a true and correct record of proceedings.

CARRIED 3/0

For: Cr JM Stratford, Cr GL Boyne, Cr NJ Chandler

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6.   Presentations

Nil.

7.   Officer's Reports

7.1.   Quarterly Reporting of Integrated Strategic Plan and Workforce Plan

Governance and Compliance	
Date	13 March 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government Act 1995;* *Local Government (Administration) Regulations 1996*
Disclosure of Interest	Nil
Purpose of Report	☐Executive Decision ☒Legislative Requirement ☒Information
Attachments	Quarterly Scorecard – March 2025

Background:

Section 5.56(1) of the Local Government Act 1995 requires all local governments to have a plan for the future of the district and under the Local Government (Administration) Regulations 1996, all local governments in Western Australia are required to have adopted two key documents: a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP). Together these documents drive the development of each local government's Annual Budget.

The Integrated Planning and Reporting Framework and Guidelines (2016) issued by the DLGSC that guides the SCP and CBP process require that regular monitoring and reporting of these plans are undertaken. This quarterly update forms part of this key reporting process.

Council adopted the Integrated Strategic Plan 2022-2032 (which incorporates both the SCP & CBP) at its meeting held 20 April 2022. In 2024 a desktop review of the plan was undertaken and the updated plan was adopted at the June 2024 OCM as per resolution 120624.

Comment:

To assist Council to meet its IPR requirements under the Local Government Act 1995, the Local Government (Administration) Regulations 1996, Shire staff have prepared the quarterly report, as attached to this item, for the Committee to consider and, if appropriate, recommend to Council that the quarterly scorecard be adopted and the Integrated Strategic Plan and Workforce Plan components be endorsed for publication.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Jannah Stratford, President, Shire of Koorda

Statutory Implications:

Local Government Act 1995 and relevant subsidiary legislation.

Policy Implications:

Nil

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024

4.1 – Open and transparent leadership.

4.1.1 – Ensure efficient use of resources and the governance and operational compliance and reporting meets legislative and regulatory requirements.

4.3 – Forward planning and delivery of services and facilities that achieve strategic priorities.

4.3.2 – Report to Council progress of Council Actions using a quarterly score card and report results to community.

Risk Implications:

The Risk Theme Profile identified as part of this report is Failure to Fulfil Compliance Requirements. The consequence could be Compliance if the requirements of both the Local Government Act 1995 and the Local Government (Administration) Regulations 1996 are not met in terms of the Shire having a plan for the future of the district. Another consequence could be Reputational if the public perceives that the Shire does not have the business planning tools in place to manage ratepayer money in transparent and accountable manner. The measure of Consequence is Minor, and the likelihood is Unlikely, giving an overall risk rating of Low. Both risks will be mitigated through adherence to the Integrated Planning and Reporting framework.

Financial Implications:

Nil

Voting Requirements: ☒ Simple Majority ☐ Absolute Majority

Committee Recommendation

Moved Cr GL Boyne   **Seconded Cr NJ Chandler**

That the Audit Committee recommends:

That Council:

1. **Adopts the quarterly reporting documents to March 2025 as attached to this item; and**

2. **Endorses the publication of the Integrated Strategic Plan and Workforce Plan components for community information.**

CARRIED 3/0

For: Cr JM Stratford, Cr GL Boyne, Cr NJ Chandler

4.05pm - Cr GW Greaves entered the chambers.

7.2. Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls

<table>
<tr><td colspan="2">Governance and Compliance</td><td>Shire of Koorda
Drive in, stay awhile</td></tr>
<tr><td>Date</td><td colspan="2">13 March 2025</td></tr>
<tr><td>Location</td><td colspan="2">Not Applicable</td></tr>
<tr><td>Responsible Officer</td><td colspan="2">Zac Donovan, Chief Executive Officer</td></tr>
<tr><td>Author</td><td colspan="2">Zac Donovan, Chief Executive Officer</td></tr>
<tr><td>Legislation</td><td colspan="2">Local Government (Audit) Regulations 1996 – Reg 16 and 17</td></tr>
<tr><td>Disclosure of Interest</td><td colspan="2">Nil</td></tr>
<tr><td>Purpose of Report</td><td colspan="2">☐Executive Decision ☒Legislative Requirement ☐Information</td></tr>
<tr><td>Attachments</td><td colspan="2">FRM Action Plan – March 2025</td></tr>
</table>

Background:

The Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance.

At the May 2023 Audit Committee Meeting, the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls was presented for consideration with the below committee recommendation being resolved at the May 2023 Council Meeting.

Committee Recommendation
RESOLUTION 050523

Moved CR GW Greaves   Seconded CR BG Cooper

That Council:

1. Receives Moore's Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls report, dated April 2023 (Attachment A);

2. Directs the CEO to provide a report, on a quarterly basis, to the Audit Committee to enable the Committee to monitor the Shire's progress in addressing the recommendations, pursuant to Regulation 16 (d) of the Local Government (Audit) Regulations 1996; and

3. Directs the CEO at the first quarterly review to provide proposed actions, including expected completion dates, to the recommendations identified in the report.

CARRIED BY ABSOLUTE MAJORITY 6/0

Comment:

This report has been presented to the Audit & Risk committee as the committee has a role in supporting Council in fulfilling its governance and oversight responsibilities and provide the audit committee with the opportunity to raise any issues that the document has identified or ask any other questions, they may have in relation to our risk management and compliance activities.

An initial report was tabled at the June 2023 Audit Committee Meeting and the attached Action Plan is an update on actions that have been taken within the past quarter to align with the quarterly reporting on the Integrated Strategic Plan.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Administration Staff

Statutory Implications:

Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;

"16 (c) to review a report given to it by the CEO under regulation 17(3) and is to –

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

    (ii)   Give a copy of the CEO's report to the council."

"16 (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –

    (i)   Regulations 17 (1); and

    (ii)   The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)."

Regulation 17 of the Local Government (Audit) Regulations 1996 reads as follows;

"(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

    a) risk management; and

    b) internal control; and

    c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

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

Regulation 5 (2) (c) of the Local Government (Financial Management) Regulations 1996 states that -

"the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews."

Policy Implications:

The review recommended some potential improvement opportunities to some of the Council's policy. These will be considered separately by the Policy Review Committee and Council at the completion of the review process. Comments made in the FM Review relating to specific Policies and Procedures will be taken on-board as part of the review process.

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024
4.1 – Open and transparent leadership.
4.1.1 – Ensure efficient use of resources and the governance and operational compliance and reporting meets legislative and regulatory requirements

Risk Implications:

The CEO would be contravening the *Local Government (Audit) Regulations 1996* if this review was not undertaken at least once every 3 financial years. The CEO is to report to the Audit & Risk Committee the results of this review.

The Financial Management, Risk Management, Legislative Compliance and Internal Controls Review covers a robust area of risk assessment and compliance with auditing in compliance with the Local Government Act 1995 and associated Regulations. The objective of this review is to identify risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

Financial Implications:

Nil.

Voting Requirements: ☒Simple Majority   ☐Absolute Majority

Committee Recommendation

Moved Cr NJ Chandler   Seconded Cr GL Boyne

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee recommends;

That Council as per the quarterly report document to March 2025 as attached to this item, notes and endorses the actions taken to the identified improvements highlighted in the Financial Management, Risk Management, Legislative Compliance and Internal Controls review.

CARRIED 3/0

For: Cr JM Stratford, Cr GL Boyne, Cr NJ Chandler

7.3.   Shire of Koorda Risk Profile Report

Governance and Compliance	
Date	13 March 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government (Audit) Regulations 1996 – Reg 16 and 17* *Local Government Act 1995* AS/NZS ISO 31000:2018
Disclosure of Interest	Nil
Purpose of Report	☒Executive Decision ☒Legislative Requirement ☐Information
Attachments	Shire of Koorda Risk Profile Action Plan - March 2025

Background:

The Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance.

In addition to the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls undertaken by Moore in February 2023, as per the above item, Staff undertook an additional review, facilitated by LGIS, to understand the Operational Risks within the organisation.

The Risk Profile workshop, undertaken in October 2023, worked through 15 risk themes to identify what is the risk of this occurring at the Shire, both with and without controls, and what controls are, or should be in place.

Under the Risk Management Framework, the Shire utilises risk profiles to capture its operational and strategic risks. The profiles assessed are:

- Asset Sustainability
- Business and Community Disruption
- Community Engagement
- Compliance Obligations
- Document Management
- Employment Practices
- Environment Management
- Errors, Omissions and Delays
- External Theft and Fraud
- IT, Communication Systems and Infrastructure
- Management of Facilities, Venues and Events
- Misconduct
- Project / Change Management
- Purchasing and Supply
- WHS

For each category, the profile contains the following:
- Objective.
- Risk Event.
- Potential Causes.
- Key Controls / Control Type.
- Control Adequacy.
- Control owner.
- Risk Rating.
- Actions and Responsibility.

Comment:

This report has been presented to the Audit & Risk Committee as the committee has a role in supporting Council in fulfilling its governance and oversight responsibilities and provide the audit committee with the opportunity to raise any issues that the document has identified or ask any other questions, they may have in relation to our risk management and compliance activities.

The initial Risk Profile Report was tabled at the December 2023 Audit & Risk Committee Meeting. Similar to the FRM Action Plan, the Risk Profile will be tabled at the quarterly Audit & Risk Committee workshops as a tracking tool to determine progress made against the key themes and improvements towards any identified areas of improvement.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Darren West, Works Supervisor
Kristyn Harrap, Governance Officer
Chris Gilmour, Regional Risk Coordinator, LGIS
Ben Galvin, Divisional Manager - Risk Services, LGIS

Statutory Implications:

Local Government Act 1995
AS/NZS ISO 31000:2018
Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;
"16 (c) to review a report given to it by the CEO under regulation 17(3) and is to –
   (i)   Report to the council the results of that review; and
   (ii)   Give a copy of the CEO's report to the council."

"16 (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
   (i)   Regulations 17 (1); and
   (ii)   The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)."

Regulation 17 of the Local Government (Audit) Regulations 1996 reads as follows;
"(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
   a) risk management; and
   b) internal control; and
   c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

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

Policy Implications:

Shire of Koorda Risk Management Strategy 2023
Policy "G - Risk Management" states;
<u>Risk Assessment and Acceptance Criteria</u>
The Shire quantified its broad risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework and as a component of this policy.

All organisational risks are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024
4.1 – Open and transparent leadership.
4.1.1 – Ensure efficient use of resources and the governance and operational compliance and reporting meets legislative and regulatory requirements.

Risk Implications:

The Shire of Koorda has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

The Risk Profile covers a robust area of risk assessment. The objective of this review is to identify potential and actual risks to the organisation, determine the chances of these risks occurring within the organisation and identify key controls that are and should be in place to help reduce or mitigate the perceived risks.

Financial Implications:

Resource requirements are in accordance with existing budgetary allocation.

Voting Requirements: ☒Simple Majority ☐Absolute Majority

Committee Recommendation

Moved Cr NJ Chandler   **Seconded Cr GL Boyne**

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee recommends;

That Council, as per the quarterly report document to March 2025 as attached to this item, notes and endorses the actions taken to the identified improvements highlighted in the Risk Profile.

CARRIED 3/0

For: Cr JM Stratford, Cr GL Boyne, Cr NJ Chandler

Governance and Compliance

Date	10 March 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government Act 1995 Section 7.13 (i)* *Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15*
Disclosure of Interest	Nil
Purpose of Report	☐Executive Decision ☒Legislative Requirement ☐Information
Attachments	Compliance Audit Return 2024 SOKD

Background:

Each local government is to carry out a Compliance Audit return for the period 1 January to 31 December of the previous year against certain requirements included within a Compliance Audit Return (CAR) provided by the Department of Local Government, Sport and Cultural Industries (the Department).

The CAR, once completed, is to be presented to the Audit & Risk Committee and then a report is to be presented to Council for adoption of the return. A copy of the completed CAR is included as an attachment for this item.

The Audit & Risk Committee has been requested to review the CAR for 2024, if so resolved, present to Council for adoption so the CAR may be submitted prior to 31 March 2025.

Comment:

The 2024 CAR has been completed as required. Care was taken when completing the Compliance Audit Return to endeavour to ensure all items were adequately addressed in accordance with the 'Audit of Compliance' per Section 7.13(i) of the Local Government Act 1995.

The CAR is now presented to the Audit and Risk Committee and Council for adoption and should be received by the Department by 31 March 2025.

The CAR has endeavoured to cover various aspects of Statutory Compliance as required by the Local Government Act and various regulations, to include statutory requirements listed in the Local Government (Audit) Regulations in the return.

Consultation:

Lana Foote, Deputy Chief Executive Officer

Statutory Implications:

Local Government Act 1995 Section 7.13 (i)
Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15

Policy Implications:

Policy "G - Legislative Compliance" states;

Regulation 14 of the Local Government (Audit) Regulations 1996 requires local governments to carry out a compliance audit for the period 1 January to 31 December in each year. The Compliance Audit is structured by the Department of Local Government, Sport and Cultural Industries (DLGSC) and relates to key provisions of the Local Government Act 1995.

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024
4.1 – Open and transparent leadership.
4.1.1 – Ensure efficient use of resources and the governance and operational compliance and reporting meets legislative and regulatory requirements.

Risk Implications:

The Audit & Risk Committee would be contravening the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* if this item was not considered.

The CAR covers a robust area of risk assessment and compliance with auditing in compliance with the *Local Government Act 1995* and associated Regulations. The objective of the CAR is to identify risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

Financial Implications:

Nil

Voting Requirements: ☒Simple Majority   ☐Absolute Majority

Committee Recommendation

Moved Cr GL Boyne   **Seconded Cr NJ Chandler**

That, in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee recommends that;

1. Council receives and adopts the 2024 Compliance Audit Return, as presented to the Audit & Risk Committee in March 2025.
2. The 2024 Compliance Audit Return is submitted to the Department of Local Government, Sport and Cultural Industries prior to 31 March 2025.

CARRIED 3/0

For: Cr JM Stratford, Cr GL Boyne, Cr NJ Chandler

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8. Urgent Business Approved by the Person Presiding or by Decision

Nil.

9. Date of Next Meeting

4.00pm Wednesday 18 June 2025.

10. Closure

The Chairperson thanked everyone for their attendance and closed the meeting at 4.11pm.

Signed: _____

Presiding Person at the meeting at which the minutes were confirmed.

Date: 18 June 2025

APPENDIX I – Terms of Reference

Audit and Risk Committee
Terms of Reference

1. Name
The name of the committee is the Shire of Koorda Audit and Risk Committee.

2. Head of Power
The committee is established by Council under section 5.8 of the *Local Government Act 1995* (C15.09.15).

3. Definitions

TERM	DEFINITION
Act	The *Local Government Act 1995*.
Council	The body consisting of all council members sitting formally as the Council of Shire of Koorda ("the Shire").
Chief Executive Officer	The Chief Executive Officer (CEO) of the Shire of Koorda.
Committee	Shire of Koorda Audit and Risk Committee
Council Member	A person elected under the Act as a member of Council. Shire of Koorda council members includes the Shire President, Deputy Shire President and Councillors (as defined by the Act).
External Member	A person who is not a council member appointed to the committee with requisite skills, knowledge and experience that compliment the committees objectives.
Member	A person appointed to this committee.

4. Objectives
The primary objective of the committee is to accept responsibility for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire in managing its financial affairs.

Reports from the committee will:
- Assist Council in discharging its legislative responsibilities of controlling the Shire's affairs.
- Ensure openness in the Shire's financial reporting.
- Liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems, risk management framework and compliance with legislation.

The committee is to facilitate:
- The enhancement of the credibility and objectivity of external financial reporting.
- Effective management of financial and other risks and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance.
- The provision of an effective means of communication between the external auditor and Council.
- The reduction of fraud, corruption and misconduct risk as a part of their oversight of financial reporting.

5. Powers
The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee meets with the auditor of the Shire at least once in every year to satisfy the requirement of section 7.12A(2) of the Act.

The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures without the approval of the CEO.

6. Functions of the Committee

In accordance with *Local Government (Audit) Regulations 1996*, the committee is to:

a. Guide and assist the Shire in carrying out:
   i.   its functions under Part 6 of the Act; and
   ii. its functions relating to other audits and other matters related to financial management.
b. Guide and assist the Shire in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act.
c. Review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to;
   i.   report to the council the results of that review; and
   ii. give a copy of the CEO's report to Council.
d. Consider the CEO's three yearly reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to Council the results of those reviews.
e. Oversee the implementation of any action that the Shire:
   i.   is required to take by section 7.12A(3); and
   ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
   iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
   iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).
f. Perform any other function conferred on the committee by the regulations or another written law.

Additionally, the committee is to:

a. Review the Shire's draft annual financial report, focusing on:
   i.   accounting policies and practices;
   ii. changes to accounting policies and practices;
   iii. the process used in making significant accounting estimates;
   iv. significant adjustments to the financial report (if any) arising from the audit process;
   v.   compliance with accounting standards and other reporting requirements; and
   vi. significant variances from prior years.
b. Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation, but before the annual financial report is signed.
c. Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference.
d. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference.

6.1. Compliance

The committee's functions in regards to compliance is to:

a. Review the annual Compliance Audit Return and satisfy itself that the return is supported by appropriate processes and controls.
b. Provide reasonable confidence about the accuracy of information contained in the Compliance Audit Return and make a recommendation on its adoption to Council.

6.2. Risk Management

The committee's functions in regards to risk management is to:

a. Ensure the Shire's risk management framework addresses Council's exposure to both strategic and operational risks.

b. Monitor the effectiveness of the risk management framework through regular reviews and reporting.

c. Regularly review Council's strategic risk register to check that extreme and high level risk are managed in accordance with the "Risk Management Policy."

d. Address any specific requests referred from Council in relation to issues of risk and risk management.

e. At least once every year consider a report from the Shire's Executive Management Team in relation to the management of risk within the Shire, and satisfy itself that appropriate controls and processes are in operation, and are adequate for dealing with risks that impact the Shire.

7. Membership

The committee will consist of three elected members, with a fourth elected member acting as a deputy.

If authorised by the committee, council members attending as observers may participate in the meeting (but are not able to vote).

The CEO and employees are not members of the committee. The Deputy CEO is to provide administrative support to the committee.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)
Local Government Act 1995, Section 5.36, 5.39C & 5.40

Review History

Date	Council Resolution	Description of review/amendment
18/12/2023	RES: 111223	Terms of Reference Adopted V2.0
23/10/2023	RES: 191023	Committee Re-established (inclusion of Risk)
15/09/2021	RES: 060921	Terms of Reference Adoption V1.0

Shire of Koorda - Integrated Strategic Plan 2024

Current Review Period : April - June 2025

COMMUNITY PRIORITIES & ACTIONS	COMMENTS
1.1: Local people feel safe, engaged, and enjoy a healthy and peaceful lifestyle.	
1.1.1 - Schedule of quarterly President and CEO meetings with regional representatives from: WAPOL, WACHS and Department of Education representatives.	**OIC returned to Koorda - catch up meeting planned.** Discussion with Koorda WAPOL OIC regarding emergency preparedness grant application. CBFCOWAPOL Meetings with WAPOL Koorda OIC. Planning for contacts/contingencies over Christmas/New Year period.
1.1.2 - Secure medical practitioner for Koorda for two days per week.	**Pilates class being continue on a weekly basis.** Complete.
1.1.3 - Complete agreement with CRC to define and implement a schedule of events and activities to enhance community lifestyle and engagement.	CRC has suite of community activities scheduled at Volunteer Park. Ongoing weekly CEO meetings with CRC to develop community activities and leverage Shire assets/events.
1.2: Local volunteer groups supported through initiatives that reduce volunteer fatigue and strengthen their resilience.	
1.2.1 - Create a register of volunteers' skills and availability and hold an annual event (via CRC agreement) to recognise registered volunteers.	Community event to recognise and thanks Volunteers organised by CRC and held on 8 March at Volunteers Park. Deed of agreement signed with the CRC for the Community Development Officer Role. The CRC is to provide monthly updates to Council, which includes the creation of a volunteer skill register.
1.2.2 - Review and refine community grants program as required.	**Community Grants Program reviewed at June 2025 Governance Meeting. Next round is open from 1 July to 31 July with applications to be considered in August 2025.** Review sought through acquittal process of inaugural Community Grants Program. Minor adjustments made to CGP Guidelines. To monitor acquittals and update program as required.
1.2.3 - Develop grants communication strategy in concert with CRC to alert community groups to opportunities.	**Grant Guru subscription renewed.** Deed of agreement signed with the CRC for the Community Development Officer Role. The CRC is to provide monthly updates to Council, which includes the creation of a community grant alert.
1.3: Emergency services are supported with effective planning, risk mitigation, response, and recovery.	
1.3.1 - Work with emergency service stakeholders to ensure the Shire and Volunteers meet DFES training and WHS standards.	**Application submitted to DFES for a shared CESM resource with the Shires of Mt Marshall & Mukinbudin. Response from DFES on hold awaiting funding from State Government (expected July 2026).** Meeting with Koorda CBFCO regarding identification of Fire Weather Officers and potential for shire to access CESM resource with neighbouring shire. Senior Bushfire Volunteer Training undertaken 12 & 13 March for succession planning. Initial discussions with Chief Bushfire Officer regarding training and succession planning. Recommence following harvest.
1.3.2 - Conduct regular LEMC and BFAC meetings and exercises with outcomes reported to community.	**Liaising with St John Ambulance to arrange a simulation exercise to include shire bushfire volunteers and works staff.** **Reviewed and amended Bushire Policies to be considered at June 2025 Council Meeting. Plans have commenced for group LEMC exercise. Next LEMC meeting to be held Wednesday 25 June.**
1.3.3 - Establish closer links to regional emergency services and participate in regional exercises.	**Attended Emergency Management Webinar on Storm and Flood Preparedness. To attend via teams Quarterly District Emergency Management Committee (DEMC) meetings 18 June.** Koorda LEMC planning annual exercise for 2025 and will investigate regional exercise scenario to increase participation and promote regional collaboration. Great Eastern Country Zone signed an MOU in 2022 for resource sharing during bushfires.
2.1: Our local economy grows in a sustainable manner.	
2.1.1 - Review planning framework and scheme to ensure contemporary and compliant and engage community and business input to confirm will meet needs and expectations of stakeholders.	**Draft Local Planning Policy - Tree Farms and Plantation Projects to be considered for endorsement at the June 2025 Council Meeting. Following this a public consultation period will commence for the community to provide any feedback before final adoption.** LPS Amendment 2 (L19 Orchard St) and 3 (Grouped Rural Dwellings) advertised in Government Gazette.
2.1.2 - Develop continuity plans for power and telecommunications infrastructure and advocate requirements with other levels of government and regional stakeholders as required.	**Raised with Telstra representative at NEWROC council meeting (27 May) prospect of Koorda staff being included in ATU training. Non committal response.** NEWROC executive meeting (25 Feb) advised two Koorda Telstra sites enabled for emergency power connection however Telstra decline to engage shire in program. Shire to conduct community survey on connectivity and emergency communication services. NEWROC meeting (26 Nov) update on EO work to secure ATUs for Shire. Minister commitment to CEO to investigate inclusion of Koorda. WDC investigating inclusion of Koorda with Telstra dependent on neighbouring connectivity. Telstra will not permit Shire to purchase ATUs.

2.1.3 - Develop local supplier panel to support and streamline local purchasing by Shire.	Not commenced
2.1.4 - Create economic development strategy in consultation with community and business to identify unique proposition and operational barriers.	**NEWROC progressing micro grid concept with update at NEWROC council meeting (27 May).** NEWROC economic development strategy completed. Provide basis for local consultation.
2.1.5 - Complete community infrastructure projects including Business Buzz and Green Heart townscape projects, and the Recreation Precinct phases 2 and 3.	**Bowling Green re-locations currently underway at Recreation Centre. Council to consider preferred Recreation Centre Management Model at June 2025 Council Meeting in a hope to liaise with clubs to finalise the preferred model. Railway Street truck bay works complete.** **Footpath works almost complete for new footpaths on Greenham Street (North) and Scott Street (East)** Green Heart Project Plan completed November 2024.
2.1.6 - Develop Shire Housing Strategy to include expanded short-term and worker accommodation.	**DCEO attended Department of Communities Wheatbelt Housing Forum in Northam on 8 May to provide input as they prepare place based regional housing plans. DCEO on steering committee for NEWTravel Accommodation and Market Expansion Project.** NEWROC Housing Survey currently underway to gauge accommodation needs from local businesses. Council endorsed participation in Wheatbelt Development Commission housing investigation to produce a housing strategy for the Shire at the November 2024 OCM.
2.2: Tourism helps to diversify and grow our local economy.	
2.2.1 - Undertake redevelopment of Drive-In facilities and develop and implement promotion strategy.	Drive-In Renovation project on hold to investigate supporting grant funding.
2.2.2 - Investigate enhancing tourist experience with free Wi-Fi at Yalambee Units and Caravan Park.	TV dishes to be installed at Yalambee units in February as part of closure of rebroadcast service in June 2025. Ablution cover works at the Caravan Park have commenced.
2.2.3 - Investigate a unique event that leverages the Shire's assets to attract visitors and tourists.	
3.1: Shire owned facilities are renewed and maintained in a strategic manner to meet community needs.	
3.1.1 - Review asset management program to include asset life planning and replacement with defined scheduled maintenance program.	**The 2025-2035 Strategic Resourcing Plan (incorporating the long term financial plan and asset management plan) is currently being drafted for consideration at a future Council Meeting.** Executive Management Team participated at a workshop on 7 March for updating the Shire of Koorda Strategic Community Plan, which incorporates the Long Term Financial Plan and Asset Management Plan.
3.1.2 - Develop and implement online user maintenance request system.	**Microsoft Planner utilised to track progress of online maintenance requests. Additional functionality to be investigated with revision of shire website.** System implemented. To continue improvements to streamline end user experience and increase efficiencies within Shire.
3.2: Safe, efficient, and well maintained road, and footpath infrastructure.	
3.2.1 - Review and enhance existing road construction and maintenance strategy to align with changing funding provision and opportunities.	**The following works policies have been drafted for consideration at the June 2025 Council Meeting; "W - Access Road Construction and Road Reserve Closure," "W - Roads - Construction, Clearing and Grading"** Tree removal planned for corner of Ninghan Rd and Railway St to redress damage to pavement and road.
3.2.2 - Road asset review to determine routes and develop works program required to support future industry requirements.	Item endorsed at August 2024 Council Meeting to facilitate local industry during harvest, by allowing critical roads to be afforded Restricted Access Vehicle ratings of RAV 7 for the period between 1 October 2024 to 31 January 2025 (Subject to specific conditions. Full list of roads available in minutes).
3.3: A high standard of sustainable waste services.	
3.3.1 - Construct waste transfer station to extend life of existing landfill and to prepare for regional solution.	**Community survey ran for 6 weeks for future landfill requirements, 27 responses were received. Council endorsed to further develop options for reduced public access to the Landfill Site during budget development. The Landfill site has now been fenced, and CCTV will soon be installed to monitor usage. Additional CCTV planned as part of 2025-26 budget.** Initial project outline presented at February OCM. CEO and Works Supervisor working on project proposal for Koorda Transfer Station.
3.3.2 - Continue to work towards a Regional Waste solution with NEWROC.	Shire of Mt Marshall confirmed with NEWROC identified site. November NEWROC meeting resolved that Mount Marshall and Wyalkatchem CEOs continue to develop costings for regional solution.
3.4: Conservation of our natural environment for future generations.	
3.4.1 - Develop Shire strategy for renewable energy options to trial prior to implementation.	NEWROC EO to report on renewable energy workshop on 27 November.
3.4.2 - Partner with Wheatbelt NRM and DWER for future grant and project opportunities.	Initial stages of WDC project to define Shire and region housing needs and capacity. Will provide basis for Shire housing strategy and subsequent grant applications.

3.4.3 - Identify climate change initiative that Shire can implement and involve community in development and implementation.	Switch Your Thinking has partnered with the Western Australian Government to deliver an Energy Efficiency Pilot Program during 2025, to help residents and small to medium-sized build energy literacy and implement energy efficiency measures. Launching in late-February, the Pilot Program is working with 55 local governments across Western Australia (Koorda being one) to provide access to relevant, accessible energy efficiency education (such as home energy audit kits and workshops. The Koorda Library houses a do-it-yourself "Energy Audit Kit" for residents/business owners to undertake energy audits at their home/business.
4.1: Open and Transparent Leadership.	
4.1.1 - Ensure efficient use of resources and that governance and operational compliance and reporting meets legislative and regulatory requirements.	**No findings or management letter issued from Auditors following the 2024/25 Interim Audit. Final Audit Field work scheduled for 25-28 August 2025.** Audit Exit Meeting held in November 2024. Consideration of final Audit Report, Annual Financial Statements and Annual Report to be considered at December 2024 Meetings.
4.1.2 - Ongoing refinement of organisational structure and capacity, and alignment of resources with strategic Community, Economic and Environmental priorities.	**Shire exploring engagement of Dowerin Work Camp employment program.** CEO recruitment process complete. CEO recruitment item at December OCM. Council endorsed NEWROC Economic Development Strategy at August 2024 OCM.
4.1.3 - Develop communications strategy and scheduled tactics to engage and report outcomes to community and business stakeholders.	**Introduction of "Council Meeting Minutes Summary" introduced in March to inform community of recent Council resolutions.** Renewed focus on use of Facebook with assigned staff resource.
4.1.4 - Initiate annual customer satisfaction and perceptions survey and report results to community.	**Community Survey undertaken in May to encourage feedback to be considered within the Disability Access and Inclusion Plan which is currently being reviewed.** Community surveys underway on worker housing, and waste dump improvements with a survey on communications planned for April.
4.2: Investment in the skills and capabilities of our elected members and staff.	
4.2.1 - Develop professional development programs for staff and elected members.	**Annual Staff performance reviews underway and nearing completion.** Management and follow up of outstanding Elected Member training requirements.
4.2.2 - Align staff culture development program with practical skills development and strategic planning.	**Workforce Engagement and Planning Survey undertaken in April/May with Shire staff to assist in the 2025 Workforce plan update.** **Manual handling/ergonomic workshops held with Staff in June 2025.** **Introduction of weekly Administration team meetings in May and addition of quarterly team events to commence in June 2025.** All staff attended first aid training in July 2024
4.2.3 - Set Elected Member SAT band allocation at 80 per cent for Band 4 Local Government.	**60% allocation included in 2025/2025 Draft Budget with view to progressive achievement of 80% objective.** Elected Members adopted the below allocations for the final 2024/2025 Budget; 43% President allowance, 26% President Annualised Meeting Fee and 45% Elected Member Annualised Meeting Fee.
4.3: Forward planning and delivery of services and facilities that achieve strategic priorities.	
4.3.1 - Enhance service delivery through mutually beneficial partnerships with neighbouring Local Governments and Band 1 Local Governments.	Partnership with the City of Wanneroo for Health Services and Shire of Chittering for Building Services.
4.3.2 - Report to Council progress of Council Actions using a quarterly score card and report results to community.	Advertised 2024 Integrated Strategic Plan review for comment to the community in July 2024.

Shire of Koorda - Workforce Plan 2022

Current Review Period : April - June 2025

WORKFORCE OBJECTIVE & ACTIONS	COMMENTS
1: Attracting and selecting the right people.	
1.1 - Develop an employment brand for the Shire of Koorda.	COMPLETED - Employment brand developed and utilised for all job vacancies.
1.2 - Provide flexible work arrangements and promote the positive workplace.	COMPLETED - Flexible arrangements in place.
1.3 - Develop an appropriate induction and orientation process.	COMPLETED - New employee packs developed and provided.
2: Developing a flexible, innovative and capable workforce.	
2.1 - Encourage employees to identify professional development and training opportunities.	**Staff performance reviews being undertaken in June 2025.** Final performance review of senior staff (DCEO and Works Supervisor) and annual planning/objectives scheduled for March to include training and development.
2.2 - Continually review and upgrade finance and administration systems to improve performance.	**Quarterly reporting of improvements made tabled at Quarterly Audit meeting in regard to Financial Management. Consultants being engaged to preform 3 yearly review of Financial Management, Risk Management, Legislative Compliance and Internal Controls - currently planned for January 2026. No findings or recommendations came out of the 2024/25 Interim Audit.** Executive Management Team investigating internal audit functions. NEWROC executive group to hold workshop in New Year to explore shared services opportunities. Shire terminated LG Best Practice reporting support.
2.3 - Encourage all staff to contribute to a workplace culture that values safety and eliminates workplace injuries.	**Manual handling/ergonomic workshops held with Staff in June 2025.** CEO initial planning meeting with LGIS for Tier 2 Safety Assessment in September. Work Supervisor liaising with LGIS to reintroduce Take 5 job start program. LGIS 3 steps to safety assessment has been scheduled for early 2025.
3: Retaining and engaging our valued workforce	
3.1 - Provide opportunities for staff to act in other roles that will support their development.	Ongoing.
3.2 - Foster and value openness by encouraging effective communication throughout the shire.	**Workforce Engagement and Planning Survey undertaken in April/May with Shire staff to assist in the 2025 Workforce plan update.** Consideration to align with long term financial planning project currently underway. Ongoing. Project to be implemented to review Workplace Plan and to include all staff input and consultation.
3.3 - Review current meeting structure and introduce meetings that improve performance.	**Introduction of weekly Administration team meetings in May and addition of quarterly team events to commence in June 2025.**
3.4 - Encourage participation in whole of organisation social activities.	Ongoing. Annual Christmas function well attended by Staff and Council Members.
3.5 - Review our performance management framework and create a simplified performance review process that aligns to our strategic objectives.	**DCEO and Work Supervisor performance reviews undertaken for 2025, documentation to be completed.** Performance Management Framework in place is relevant. Annual reviews of framework undertaken before each review period to ensure it
4: Developing a strategic workforce for improved performance.	
4.1 - Develop an Employee Code of Conduct.	Completed. Annual employee acknowledgement of Code undertaken within June 2024 performance reviews.
4.2 - Develop position-based information that includes job task instructions, key contacts, and a calendar.	Documentation exists. To periodically review to ensure information is up to date and relevant.
4.3 - Develop succession plans for key roles.	To review/develop plans in line with 2022 Workforce Plan review.
4.4 - Develop a contemporary suite of human resource policies and procedures.	**NEWROC investigating capacity for shared HR service.** Policies being drafted for review and adoption.

WORKFORCE OBJECTIVE & ACTIONS	COMMENTS

Contents

KEY

Completed
Almost Complete
Commenced
Yet to Commence

Changes since last reporting period

7.1.4 - ICT Strategic Plan	Commenced → Almost Complete
7.2.24 - Record Keeping Practices	Commenced → Almost Complete
6.2.15 - General Policy Actions	Commenced → Almost Complete
6.2.16 - Policy Reference to Legislation and External Information	Commenced → Almost Complete
7.2.3 - ICT Security	Commenced → Completed
7.2.16 - Revenue Controls at Shire Facilities	Almost Complete→Completed
7.2.22 - Stock Controls	Commenced → Completed
7.3.3 - Personnel Records	Commenced → Completed
8.5.1 - Internal Audit	Yet to Commence→ Commenced
	Yet to Commence→ Commenced→Almost Complete→Completed

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	17/04/2023	Elected Member Entitlements Policy updated and endorsed by Policy Committee 17/04/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623 and practices updated.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Payments To Councillors Policy No: C3	Policy to outline the support that will be provided to council members through the provision of equipment, payment of allowances, reimbursement of expenses incurred.	6.2.6

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The policy sets out an allowance in lieu of reimbursement for information technology expenses. The amount set by the policy does not align with the amount set at the most recent review by Council, and does not align with the allowances paid to elected members for ICT expenses.	Invalid or Ineffective Policy, Compliance Breach	Review and update the policy, ensuring alignment is maintained with the provisions of the most recent determination published by the SAT. Consider limiting the level of detail within the policy to support the review of allowances, fees and payments to elected members as resolved by Council annually.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Outdated policy supplied during review process. The updated Purchasing Policy which was adopted 16/09/22 included contract variations as per point two in the "Mitigation and Management Strategy." An updated Purchasing Policy Draft was endorsed by Policy Committee 12/06/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623 and practices updated.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Purchasing Policy No: F16	Policy providing a best practice approach and procedures for purchasing. Ensure consistency for all purchasing activities that integrates with all operational areas. Requires compliance with the Local Government Act 1995 and Local Government (Functions and General) Regulations 1996.	6.2.10

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	**High**	**Prioritised action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Authorisation for a sole source of supply arrangement considered under the policy is not defined. The policy provides some direction regarding contract variations and extensions, however provides limited guidance where associated price changes change the purchase value threshold. The policy should ensure appropriate controls exist to minimise opportunities to circumvent purchasing threshold requirements through application of variations and extensions. Purchasing requirements for procurement of goods or services in accordance with the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(2), are not consistent within the policy. The CEO is required to ensure controls exist for all purchases including those made using these exemptions. It is noted the practice of testing the market through sourcing multiple quotations when using the exemptions is often occurring, and the policy should be updated to reflect the expectation and requirement, regardless of whether the quotations are being sought from pre-qualified suppliers, WALGA Preferred Supply Contracts or other suppliers. The policy makes reference to pre-qualified suppliers and instances where pre-qualified suppliers are to be given priority for purchasing activities. This	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Amend the policy to provide the following: • Amend policy to require CEO approval under sole source of supply arrangements, and to reference the risks and control environment where considering these arrangements. • Consideration to purchasing requirements for the issuing of contract variations and extensions should be included to circumstances where the contract value increase over a policy threshold level, due to the variation or extension. • Amend purchasing requirements for procurement of goods or services to be consistent regardless of where the quotations are being sought from, including those made under the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(2). • If a separate prequalified supplier policy is not intended to be developed and adopted, references to pre-qualified suppliers should be removed from the policy to avoid confusion and non compliance in executing policy requirements. • Publish the current, up to date purchasing policy on the official local government website as required by legislation.

may cause confusion for users of the policy. The Shire do not have a policy relating to pre-qualified suppliers, and entering into such an arrangement may not comply with legislation. The current policy is not published on the official local government website as required by legislation.		

6.2.14 - Appointment of Acting Chief Executive Officer Policy E5.8

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	18/10/2023	New draft policy to incorporate recommendations. To be endorsed by policy review committee before going to Council for adoption. An updated Purchasing Policy Draft was endorsed by Policy Committee 18/10/23. Tabled at Council on 18/10/23. Policy adopted as per RES 171023.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Appointment of Acting Chief Executive Officer Policy E5.8	Policy to provide for the appointment of a suitably qualified Acting CEO during limited absences of the Chief Executive Officer, in accordance with the provisions of the *Local Government Act 1995*.	6.2.14

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	**High**	**Prioritised action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The current policy provides for the appointment of an Acting CEO for period not exceeding six weeks. It does not address the following matters as required by legislation: • Scope to determine 'suitably qualified' persons to act as CEO; • Requirements in the event appointment of an Acting CEO will be required to exceed a term of four weeks; and • The amount of remuneration to be paid to an Acting CEO is not detailed within this policy. This presents a risk of legislative non-compliance due to a payment to an acting CEO not being in line with the salary bands set by the Salaries and Allowances Tribunal (SAT).	Invalid or Ineffective Policy, Compliance Breach	Review and update the policy to sufficiently address compliance with section 5.39C of *the Local Government Act 1995* and publish on the Shire's website.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Continuing Professional Development Policy was endorsed by Policy Committee 12/06/23. To be tabled at Council on 28/06/23. **Policy adopted as per RES 120623 and practices updated.**

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Ongoing Elected Member Professional Development Policy	A policy to ensure equitable access to ongoing professional development and training opportunities to enable elected members to fulfil their function and perform the duties required of them under the Local Government Act 1995.	6.2.19

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	**High**	**Prioritised action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
At the time of our review, no policy on Ongoing Elected Member Professional Development had been adopted by Council.	Invalid or Ineffective Policy, Compliance Breach	Develop and adopt a policy for Ongoing Elected Member Professional Development to comply with section 5.128 of the Local Government Act 1995. Publish the policy on the Shire's website as required.

7.1.1 - Code of Conduct for Employees, Volunteers and Contractors

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO	Yes	Yes	17/03/2021 - Elected Member Code of Conduct 30/03/2023 - Employee Code of Conduct 18/07/2023 - Email confirming adoption of Employee Code of Conduct. Uploaded to website.	• The current version of the code of conduct for council members, committee members and candidates (as adopted by Council on 17 March 2021 as per Resolution No. 160321) was published to the Shire's website on 30 March 2023 and may be accessed on the Shire's website at https://www.koorda.wa.gov.au/council/council-policies-and-procedures/code-of-conduct.aspx • The preparation and implementation of an interim code of conduct to be observed by employees of the local government was completed on 30 March 2023 as evidenced by the attached copy of an email sent to all Shire employees. In addition, a copy of the Interim Shire of Koorda Code of Conduct for Employees was published on 30 March 2023 accessible at https://www.koorda.wa.gov.au/documents/20230/shire-of-koorda-interim-code-of-conduct-employees The adoption of an interim Shire of Koorda Code of Conduct for Employees (the Code) was in the interests of fairness, transparency and particularly clauses 1.4 (Our Values) and 1.5 (Our Commitment to Each Other and Our Community) of the Code, on a 3-month basis (i.e., to 30 June 2023) to allow for employee consultation, comment, any amendment and leading to adoption (and subsequent website publication) of a final version from 1 July 2023. Email sent to all employees with adopted "Code of Conduct - Employees" on 18/07/2023 with draft operational policy "E - Employee Secondary Employment"

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.1	Code of Conduct for Employees, Volunteers and Contractors	To provide guidance to employees, of enforceable rules and requirements as prescribed in relevant legislation.	7.1.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	**High**	**Prioritised action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Regulations gazetted on the 3 February 2021 introduced minimum requirements for an Employee Code of Conduct and introduced a model Code of Conduct for Council Members. At the time of our review, the Code of Conduct for Employees had not been developed as required (by 3 May 2021), with the existing Code of Conduct still being utilised for employees.	Failure to identify risks or adequately treat identified risks. Compliance breach	Develop a new Code of Conduct for employees and contractors as required by legislation and undertake a re-induction with all employees. Ensure the updated Code of Conduct is published on the official local government website as required by section 5.51A of the Local Government Act 1995.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	No	Yes	Oct-2024	Policy "G - Cyber Security and Data Breach Response" adopted 24/03/2025. Internal and External Security and Penetration Testing undertaken in May 2025. Vonahi Security performed a comprehensive security assessment to assist with evaluating the cyber risks presented within the tested environment(s). Discussions commenced with ICT Providers to discuss options for drafting and implementing an ICT Strategic Plan.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.1	ICT Strategic Plan	Plan to guide the future development and delivery of ICT services and address the handling of ICT disaster recovery.	7.1.4

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection. Presently a single consultant is engaged to provide IT support services and advice regarding security, etc. A high level of risk exists by engaging a single entity to provide all IT services.	Lack of strategic direction for implementation of internal controls.	Develop an ICT Strategic Plan, identifying and documenting key ICT risks, along with the treatments to reduce the risk to an acceptable level. Utilise the strategy to assist in considering the risks of utilising one single IT provider, and to assist in developing a scope to articulate service level agreements for a range of IT services to be potentially issued to different providers. Consider implementation of routine review and verification of skills, competencies, qualifications and experience for IT service providers.

7.2.1 - Risk Management Procedures

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	Policy - 28/06/23 LGIS workshop - 21/09/23 Strategy	New Risk Management Policy to be adopted by Council 28/06/23. Risk Management Framework/Strategy tabled at the Audit & Risk Committee Meeting held 18/12/2023 and adopted by Council on 18/12/2023 as per Resolution 161223.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.2	Risk Management Procedures	Procedures and practices to set out a uniform approach to the identification, assessment, management, reporting and monitoring of risks.	7.2.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Risk management activities currently undertaken are largely undocumented with existing procedures based on a superseded risk management standard. These activities are sometimes performed independently within individual departments which may not align with desired risk management practices	Failure to identify risks or adequately treat risks	Risk management procedures be updated, and a process developed in accordance with any update to the risk management policy to ensure procedures align to the policy. Communicate throughout the organisation any updates to risk management procedures and processes to assist with routine and consistent applications in accordance with adopted policy. A key function of the Audit and Risk Committee should be to review updates to risk reports, as well as to monitor and evaluate risks, particularly where changes occur. Risk reports and updates should be routinely reported and reviewed by the Audit and Risk Committee.

7.2.12 - Electronic Banking Transactions

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	15/06/2023	Further procedures have been created to ensure compliance with the 15-minute window between audit trail production and ABA upload to the bank. Additional receipt printed from banking transaction to show time stamps to marry up with the audit trial creation.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.2	Electronic Banking Transactions	Process to reduce opportunity for fraudulent activity with electronic banking.	7.2.12

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	**High**	**Prioritised action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted access to the ABA file from the time of generation to the time of upload to the bank is not adequately restricted, with a limited verification process undertaken to ensure the ABA file is unmodified when uploaded to the bank. This presents a risk where fraudulent manipulation of the ABA file may occur.	Breakdown of internal controls, financial and fraud risk	Improve controls to minimise the risk of electronic banking details being fraudulently manipulated through secure storage of ABA banking files. Controls should exist to restrict access to these files, and to detect and prevent any unauthorised changes being made.

7.2.13 - Changes to Banking Details

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Finance Officers	Yes	Yes	01/05/2023	Creditor Update and Application Form has been amended to include a call back to confirm bank details for new suppliers, and for any updates, a call back using phone details on record. Audit Trails are produced with each creditor pay run to confirm details of any changes and is reviewed by two officers. The DCEO produces an audit trail on a monthly basis as per end of month processes and verifies changes and details.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.2	Changes to Banking Details	Controls to validate banking change requests.	7.2.13

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We identified weaknesses in the formal procedure to change employee and supplier banking details due to some limitations to segregation of duties.	Breakdown of internal controls Controls reliant on the capability and honesty of staff, financial and fraud risk	Formal procedures relating to changes to banking details for employees and creditors should be updated to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system. Review and update procedures to ensure the following matters are appropriately considered, documented and controls are adequate to: • Validate the change request and its origin; • Authority exists for the change request; and • Validate and control the changes once completed.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/CEO		Yes	07/11/2024	Draft Cash Handling Policy drafted for tabling at next Governance Committee Meeting.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.2	Security Controls for Cash Handling	Procedures and systems for the handling of cash at Shire facilities.	7.2.18

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Security controls for cash held at various facilities are considered inadequate. Controls are not consistently documented to ensure appropriate review and authorisation processes occur in relation to the management and handling of cash by staff and contractors.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks, financial and fraud risk	Ensure access to any cash held is restricted only to authorised personnel through secure storage. Implement appropriate documented procedures and controls for cash maintained by staff and / or third parties (such as contractors). Processes should also include reference to insured amounts relating to cash, to ensure adequate insurance levels are maintained relating to cash.

7.2.24 - Record Keeping Practices

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Records		Yes		Draft Record Keeping/Information Management Policy developed for Governance Committee Consideration. Records officer finalising procedures for staff practices.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.2	Record Keeping Practices	To demonstrate compliance of record keeping systems and practices with legislative requirements.	7.2.24

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Staff representations indicate electronic records are stored in various locations such as shared drives, rather than the Shire's electronic document and records management system (EDRMS). Where compliance with required record keeping controls is low, information may become compromised where deletions, loss and compromised security or confidentiality of records may occur. Based on our enquiries with staff, no regular refresher training for the use of the records system is currently in place to support and direct staff to the appropriate procedures to save records in accordance with the Shire's record keeping plans and policies. This may increase risks associated with compliance with required record keeping controls. Where compliance with required controls is low, information may become compromised in that deletions, loss and compromised security or confidentiality of records may occur. Control procedures within the EDRMS relating to record preservation and disposal of records are considered inadequate. Current controls are heavily reliant on staff awareness of errors within the EDRMS generated disposal dates, and application of manual system override and review to manage compliance.	Breakdown of internal controls, Failure to identify risks or adequately treat identified risks, compliance breach	Review, update and communicate procedures for the record keeping practices and enforce individual accountability for compliance with established procedures. Where compromised controls relate to software errors, enforcement of contract obligations and service delivery should be undertaken as a minimum. If the Shire's EDRMS is not correctly generating record disposals, urgent consideration should be given to alternative programs or controls to provide an appropriate level of review to detect errors and ensure compliance with disposal of vital records.

7.3.1 - Employee Identity and Credentials

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Payroll	Yes	Yes	01/07/2023	WALGA & OAG templates used to create Shire of Koorda new employee forms. OAG & WALGA Guidelines downloaded. DCEO & Payroll Officer working to create new induction forms and checklists to ensure verification undertaken with new employees. Areas identified as part of Workforce Plan 2022-2025 (1.3, 4.2 & 4.4)

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.3	Employee Identity and Credentials	Systems and controls for screening of new employees and monitoring existing employees for changes in their circumstances which may impact their employment.	7.3.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Practices and procedures for verifying employee identity, right to work in Australia, verification of employment history and qualifications are not consistently applied or documented.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	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.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	Nov-2024	Contract register updated and procedures in place to ensure checks and updates are completed as required.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	8.2	Contracts Register	Provide a record of contracts entered into by the Shire.	8.2.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A contracts register was not available for our inspection detailing the status of contracts held by the Shire.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability and honesty of staff.	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.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/ DCEO/ Governance	Yes	Yes	01/06/203	Noted. Section highlighted to ensure it is not missed on form in the future. WALGA procedure template downloaded and will be followed for annual returns, and any primary returns required following the upcoming Council Election and delegation changes. All details entered properly and checked prior to acknowledgement for returns received for the period ending 30 June 2023.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	8.2	Financial Interest Register	Records details required under the Act relating to financial circumstances of relevant persons.	8.2.4

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted primary returns were completed for three relevant persons where the returns did not record start dates. We were unable to verify the returns have been completed within three months of the documented start date.	Breakdown of internal controls, Compliance breach	Establish procedures to ensure all returns are properly completed at the time of providing acknowledgement of receipt of the returns.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO	Yes	Yes	17/05/2023	Delegations register was adopted by Council on 17/05/2023 as per Resolution 090523. Letters issued to staff regarding delegations. Delegation Register report included in Councillor Information Report presented to Council following Council Meetings.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	8.2	Delegation Register	Statutory register of delegations of authority.	8.2.5

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Likely	Moderate	Moderate	Moderate	High	Prioritised action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The review/amendment history recorded within the delegations register has not been updated to note most recent reviews. Our testing identified a number of issues with several delegations. We noted common occurrences where: • The delegation is suitable for 'acting through'; • The delegation replicates existing policies (and detail within each may cause conflict between the delegation and the policy); • The delegation is not a decision or power of Council; and • The delegation contains information not aligned with relevant current legislation. Several CEO sub delegations are included to an officer. The individual currently performing the duties noted within the delegation is contracted, and is not an employee of the Shire, therefore cannot be delegated authority the Local Government Act 1995. The formatting and presentation of delegations is inconsistent and presented in alternative formats for some delegations. Maintaining a consistent format across all delegations allows for better controls for their review and maintenance.	Breakdown of internal controls, Failure to identify risks or adequately treat identified risks. Invalid Delegation	Following review of Delegations by Council, update the latest 'history' date on each delegation to provide an accurate record of when the delegation was reviewed, amended and adopted. Review and update the delegations register to ensure delegations are appropriate and consistent with relevant legislation. Amend and update to ensure delegation and policy limitations are aligned. Systems and procedures should be in place to ensure consistent alignment to policies and other external references is achieved during reviews. Review the register of delegations to ensure all delegations made to the CEO and employees are correctly recorded as required by section 5.46(1) of the Local Government Act 1995. Review and amend delegations to maintain a consistent format and structure across all delegations.

6.2.1 - Policy Change and Review Policy No: A15

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Policy Change and Review Policy endorsed by Policy Committee 12/06/2023. To be tabled at Council on 28/06/2023. Policy adopted as per RES 120623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Policy Change and Review Policy No: A15	Routine review of Policies to help ensure they remain current.	6.2.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Policies are required to be reviewed biennially by Council, following each ordinary local government election, to help ensure they remain current. The policy manual has not undergone a review as required.	Invalid or Ineffective Policy, Compliance Breach	Following review of policies by Council, continue to maintain document control history on the policy to provide evidence and an accurate record of when the policy was reviewed, amended and adopted. Review systems and processes to ensure policy reviews occur as set out by the policy, and to maintain compliance with legislation for specific policies as required.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	17/04/2023	CEO Performance Review Policy endorsed by Policy Committee 17/04/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	CEO Performance Review Policy No: A21	Framework to provide effective communication between an employee and employer to measure performance, identify training needs and improve effectiveness and efficiency in the workplace.	6.2.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Linkages between the policy and adopted model standards relating to CEO performance reviews are not clear. It is noted the model standards were adopted in March 2021, however the policy has not been updated to align with the adopted model standards.	Invalid or Ineffective Policy, Compliance Breach	Review the policy to ensure alignment with adopted model standards. Alternatively, consider rescinding the policy if adopted model standards provide the required guidance.

6.2.3 - Public Question Time Policy No: A22

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Policy Review Committee	Yes	Yes	18/10/2023	Public Question time included in "Council Meeting System" Policy endorsed by Policy Committee and Council on 18/10/2023. RES 171023.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Public Question Time Policy No: A22	To provide a process which will address questions by the public in a timely manner.	6.2.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The process for public question time within the current policy (adopted 19 July 2000) does not align with all requirements of the Shire's Standing Orders Local Law 2017.	Invalid or Ineffective Policy, Compliance Breach	Update the policy to align with the Shire's Standing Orders Local Law 2017.

6.2.4 - IT Equipment Including Tablets, Smart Phones and Computers Policy No: A44

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Policy Review Committee	Yes	Yes	28/06/2023	Section 3.3 of Policy "Elected Member Entitlements" covers IT Equipment for Elected Members. In regard to ICT, other FMR Actions are more specific to; Strategy, Disaster Recovery, Security and Risk. As per Resolution 041122 from the November 2022 Council Meeting, this action item will be incorporated as part of the Policy Review Progress. As Staff and Policy Review Committee are currently undertaking a full Policy Manual Review, all policies will be looked at, and recommendations from the FM & Reg 17 Review Report will be considered when drafting policy amendments/changes.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	IT Equipment Including Tablets, Smart Phones and Computers Policy No: A44	Policy to guide the future delivery of ICT services and equipment needs.	6.2.4

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Policy content may be outdated and therefore not sufficient to address current ICT risks.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Review and update policy content to align to risks, and future needs of the Shire's ICT environment. Development of an ICT Strategic Plan may assist to identify relevant policy inclusions.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	17/04/2023	Internet, Email Usage and Access to IT System Policy endorsed by Policy Committee 17/04/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Email Use Policy No: A45	To ensure that the Shire's investment in computer hardware, software and services is used in the most productive manner to the greatest possible benefit of the Shire.	6.2.5

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Content of policy does not adequately consider current ICT risks and does not adequately provide for acknowledgement or acceptance of conditions of usage.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Review and update the policy to a more general ICT usage policy and ensure all users agree to the usage terms and conditions. Systems and controls may be required to monitor policy acknowledgement / acceptance, and to integrate the policy into general operating procedures and record keeping requirements.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO/ Governance Committee	Yes	Yes	17/04/2024	Investment Policy adopted as per RES 060424.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Investments Policy No: F1	To adopt a prudent approach to investments, in full compliance with all statutory requirements.	6.2.7

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The policy contains a reference to fair value accounting and asset valuations, and it is unclear what alignment the statement has to investments.	Invalid or Ineffective Policy, Compliance Breach	Review and update the policy to provide for investments to align with regulatory requirements, and to include appropriate considerations to monitor and support control procedures required by Regulation 19 of the Local Government (Financial Management) Regulations 1996.

6.2.8 - Asset Valuations in Accounts Policy No: No: F11

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	28/06/2023	To propose rescind at Council on 28/06/2023 Policy rescinded as per RES 140623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Asset Valuations in Accounts Policy No: No: F11	To ensure compliance with Fair Value Regulations while keeping costs at a minimum.	6.2.8

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Formalisation of policies relating to asset accounting may result in a conflict with the Australian Accounting Standards. To avoid conflict with the standards and legislation, the policy should not include legislative and standards requirements and should enhance these requirements or provide a policy decision where an accounting standard allows a policy choice.	Invalid or Ineffective Policy, Compliance Breach	Consider rescinding the policy and adopt accounting policies annually within the annual statutory budget.

6.2.9 - Review of Financial Management Systems Policy No: F15

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	28/06/2023	To propose rescind at Council on 28/06/2023 Policy rescinded as per RES 140623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Review of Financial Management Systems Policy No: F15	To keep abreast of technological change.	6.2.9

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The policy statement provides for the CEO to negotiate with Council's auditors to review financial management systems every four years. The review frequency required by legislation is every three years. To avoid conflict with legislation the policy should not restate legislative requirements, but rather should enhance these requirements.	Invalid or Ineffective Policy, Compliance Breach	Rescind the policy.

6.2.11 - Corporate Credit Card Use Policy No: F18

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Corporate Purchasing Card Policy endorsed by Policy Committee 12/06/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Corporate Credit Card Use Policy No: F18	Policy to regulate the use of corporate credit cards issued to employees.	6.2.11

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The limit stated within the policy relating to the CEO's credit card does not align with the card limit noted during our testing. Where appropriate invoices / receipts to support card transactions are not available, the policy sets out how income tax credits are to be managed relating to credit card transactions. The policy does not however set out how those purchases are to be substantiated, reported, reviewed and authorised where a valid tax invoice is not available. The policy contains a specific reference to a set monthly bank / credit card charge. Detailed reference of this nature within the policy may result in the policy becoming outdated and non-compliant as changes to bank fees occur.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Amend the policy to ensure alignment with current practices. When reviewing the policy, consider the required level of detail to be specified within the policy to address relevant identified risks. Update the policy to include guidance to support purchases where a valid tax invoice is not available. This should include appropriate consideration to identify the purchase and provide for robust control and review processes prior to payments being deducted through automated bank payments. Review the policy to remove detailed references where appropriate, to minimise the risk of policy non-compliance and outdated references.

6.2.12 - Risk Management Policy No: R4

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Risk Management Policy endorsed by Policy Committee 12/06/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Risk Management Policy No: R4	Policy to set out the Shire's approach to articulate its commitment to Risk Management.	6.2.12

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The current policy is based on a superseded risk management standard AS/ NZ ISO 31000:2009.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Develop and adopt a risk management policy to align to Risk Management Standard ISO 31000:2018.

6.2.13 - Policy Publication

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	28/06/2023	Have provided access to up to date policies of Council. Indexing of policies improved and published on the website. A new page on the Shire Website has been created for updated policies. Once the policies are updated and adopted, they will be uploaded to the website as per the below link. https://www.koorda.wa.gov.au/council/council-policies-and-procedures/policies.aspx

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Policy Publication	To provide access to current and consolidated policies of Council.	6.2.13

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Some adopted policies are maintained individually in a folder on a shared server drive, rather than in consolidated policy manual document. We also noted not all policies of Council are published on the official local government website as required by legislation. The formatting and presentation of policies is inconsistent and presented in alternative formats within different policies. Maintaining a consistent format across all policies allows for better controls for their review and maintenance.	Invalid or Ineffective Policy, Compliance Breach	To provide access to up to date policies of Council, improve the indexing of policies for better identification and access. Publish policies on the Shire's official website as required by regulation 29C (2)(c) of the Local Government (Administration) Regulations 1996. Review and amend policies to maintain a consistent format and structure across all policies.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Policy Review Committee	No	Yes		As per Resolution 041122 from the November 2022 Council Meeting, this action item will be incorporated as part of the Policy Review Progress. As Staff and Policy Review Committee are currently undertaking a full Policy Manual Review, all policies will be looked at, and recommendations from the FM & Reg 17 Review Report will be considered when drafting policy amendments/changes.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	General Policy Actions	To set out parameters for the implementation of policies.	6.2.15a

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted the content of several council policies which may be operational in nature. Council policies are not necessarily intended to provide direction on how different operational functions are to be executed as these are the responsibility of the CEO. Some policies where this may occur includes: • A1 Administrative Structure; • A2 Record Keeping; • A12 Sexual Harassment; • A32 Approval to the Use of Sale of Liquor; • A34 Car Rallies; • A36 Dog Control – Authorisations Under the Dog Act 1976; • A43 Plant, Equipment and Vehicle Purchases; • A44 IT Equipment Including tablets, smart phones and computers; • A45 Email use; • A46 Internet and WIFI/LAN use; • A48 Social Media Policy; • B2 Bush Fire Prosecutions; • B3 Bush Fire Courses; • B4 Bush Fire Permits; • B5 Fire Control Officers; • B6 Harvesting Ban Officers; • B7 Harvesting Ban Procedure; • B9 Extension of Burning Periods; • B10 Banning of Cooking and Campfires within the Shire of Koorda; • B11 Bush Fire – Burning to Protect Dwellings; • B12 Bush Fire Fighting Equipment – Financial Assistance;	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Review and update these policies to consider the appropriate separation of the roles of the council and the CEO. Consider review and update of policies to articulate the strategic direction of Council, particularly where legislation does not provide such direction.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	No	Yes	01/03/2024	**The DCEO has drafted the below policies for consideration by the EMT before referral to the staff for comment prior to adoption. The EMT are meeting 19/03/2024 to consider the draft policies before moving to the next step of consultation with the Staff prior to adoption.** - **Annual Leave & Long Service Leave Management** - **Disciplinary Policy** - **Discrimination, Harassment and Bullying Policy** - **Employee Recruitment and Selection** - **Grievance Policy** - **Performance and Development Review Policy and Procedure** - **Performance Improvement Policy** - **Social Media - Employees** As per Resolution 150623 all policies relating to Staff/Operations were transferred out of the Council Policy Manual and into an "Operation Policy Manual" for review and updating by the EMT.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	General Policy Actions	To set out parameters for the implementation of policies.	6.2.15b

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted the content of several council policies which may be operational in nature. Council policies are not necessarily intended to provide direction on how different operational functions are to be executed as these are the responsibility of the CEO. Some policies where this may occur includes: • B13 Bush Fire – Roadside Burning; • B14 Control of Fires – Forward Control Points; • B15 Bush Fire Radio and Call Out Networks; • C15 Annual Christmas Employee Functions; • E1 Police Clearance Checks; • E2 Medical Clearance Checks; • E3 Employee Incentives; • E4 Employee Use of Council Property; • E4a Employee Use of Council Property - DCEO/MoFA Administration Vehicle; • E5 Leave – Outside Workforce; • E6 Gratuitous Payments to Employees;	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Review and update these policies to consider the appropriate separation of the roles of the council and the CEO. Consider review and update of policies to articulate the strategic direction of Council, particularly where legislation does not provide such direction.

• E7 Employee Annual Christmas Bonus; • E8 Employee Terms and conditions; • F2 Payments of Accounts; • F12 Provision for Long Service Leave and Sick Leave; • F14 Rates – Procedure of Collection; • P3 Conditions of Hire to be acknowledged; • P5 Swimming Pool Opening Times; • P10 Playground Equipment; • R1 Occupational Safety, Health and Welfare;		

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Policy Review Committee	No	Yes		As per Resolution 041122 from the November 2022 Council Meeting, this action item will be incorporated as part of the Policy Review Progress. As Staff and Policy Review Committee are currently undertaking a full Policy Manual Review, all policies will be looked at, and recommendations from the FM & Reg 17 Review Report will be considered when drafting policy amendments/changes.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	General Policy Actions	To set out parameters for the implementation of policies.	6.2.15c

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted the content of several council policies which may be operational in nature. Council policies are not necessarily intended to provide direction on how different operational functions are to be executed as these are the responsibility of the CEO. Some policies where this may occur includes: • R3 Injury Management and Rehabilitation; • R5 Consultation and Communication; • R7 Contractor Management; • R8 Volunteer Management; • S1 Safety and Health; • S2 Personal Conduct; • S3 Personal Protective Equipment; • S4 Road Works; • S5 Plant and Equipment Responsibilities; • S6 Use of Equipment; • S7 Tree Pruning; • S8 Drugs and Alcohol; • W7 Private Works; and • W8 Private Works – Service/Sporting Clubs.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Review and update these policies to consider the appropriate separation of the roles of the council and the CEO. Consider review and update of policies to articulate the strategic direction of Council, particularly where legislation does not provide such direction.

6.2.16a - Policy Reference to Legislation and External Information

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Policy Review Committee	No	Yes		As per Resolution 041122 from the November 2022 Council Meeting, this action item will be incorporated as part of the Policy Review Progress. As Staff and Policy Review Committee are currently undertaking a full Policy Manual Review, all policies will be looked at, and recommendations from the FM & Reg 17 Review Report will be considered when drafting policy amendments/changes.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Policy Reference to Legislation and External Information	To support the link between Council policy, legislation and other information sources.	6.2.16a

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted several policies contain specific detail relating to legislation and other external references, including: • A2 Record Keeping; • A13 Media Statements/Interviews; • A14 Instruments of Delegation; • A15 Policy Change and Review; • A21 CEO Performance Review; • A24 Electors Meeting Date; • A35 Permit Vehicle Approvals; • A39 CEO to Enforce Act; • A40 Exercise Powers Under Part 3; • A47 Meeting attendance – CEO Matters; • B8 Burning Periods; • B9 Extension of Burning Periods; • B15 Bush Fire Radio and Call Out Networks; • C1 Councillor Information Requirements; • E8 Employee Terms and conditions; • F2 Payments of Accounts; • F3 Amending the Rate Record; • F9 Community Recreation Facilities Funding; • F15 Review of Financial Management Systems; • F16 Purchasing Policy; This practice may result in conflict between the policy and legislation or guidance in the instance of a change in legislation, guidance, or other external references. We noted a number of policy references are currently outdated in their current policy format.	Invalid or Ineffective Policy, Compliance Breach	Update policies to remove specific and / or detailed references to legislation and other external references to assist with appropriate alignment and consistency in Council policies is maintained.

6.2.17 - Legislative Compliance Policy

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	Legislative Compliance Policy endorsed by Policy Committee 12/06/23. To be tabled at Council on 28/06/23. Policy adopted as per RES 120623.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Legislative Compliance Policy	A policy to evidence Council's commitment to balancing the cost of legislative compliance with the extent of compliance requirements, and its importance to the organisation.	6.2.17

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Currently, no policy on internal legislative compliance has been adopted by Council.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Development and adoption of a legislative compliance policy may help formalise Council's commitment and approach to legislative compliance.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Governance Committee	Yes	Yes	17/04/2024	Internal Control Policy adopted as per RES: 060424

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	6.2	Internal Control Policy	A policy to evidence Council's commitment to balancing the cost of internal controls with the extent of the control environment and their importance to the organisation.	6.2.18

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Currently, no policy on internal controls has been adopted by Council.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	We suggest an internal control policy be formulated and adopted to formalise Council's commitment and approach to internal controls, based on a risk management process.

7.1.2 - Business Continuity Disaster Recovery Plan

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	08/01/2024	**Draft Business Continuity and Disaster Recovery Plan is tabled for consideration at the March 2024 Audit & Risk Committee meeting for referral to Council as per Item 9.5 in the March 2024 Ordinary Council Meeting agenda.**

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.1	Business Continuity Disaster Recovery Plan	Plan to facilitate organised decision-making in the event of a major incident impacting the Shire's ability to continue normal operations.	7.1.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	**Planned action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A Business Continuity Plan was not available for our review. A Disaster Recovery Plan has been developed, primarily focussed on ICT systems. Although ICT systems are an important element to business recovery in the event of a major business disruption, it is only one element to be considered within business continuity planning.	Failure to adequately manage a business disruption event. Failure to identify risks or adequately treat risks	Develop a Business Continuity Plan to include business continuity considerations other than ICT systems. 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.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT/IT Consultants	Yes	Yes	11/09/2024	**DR testing was undertaken in September 2024. Testing has been programmed to run annually on a recurring basis.**

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Entity Wide	7.1	ICT Disaster Recovery Plan	Plan to address the handling of ICT disaster recovery.	7.1.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
An ICT Disaster Recovery Plan has been prepared and was last reviewed in August 2020. At the time of this review, the plan had not yet been tested. The risk assessment within the plan identifies several risks. It is not evident from the plan what risk management framework was utilised for the assessment of the risks. Risk treatment plans to reduce risk levels are considered in the plan, however there is no evidence to indicate that these actions have been undertaken or progressed further.	Failure to adequately manage a business disruption event Failure to identify risks or adequately treat risks	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. The plan should also align with the Shire's adopted risk management policy.

7.2.2 - Operational Procedures

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	01/07/2023	Fairly comprehensive procedures and checklists already exist for tasks and practices. To review following policy review process to ensure compliance with policies and delegations. Operation procedures reviewed regularly/when tasks are being complete. To ensure role continuity, new operational procedures are written to ensure all staff are able to process enquiries/applications etc when key staff are away.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Operational Procedures	To provide direction to staff in the delivery of day-to-day operational tasks, as well as guidance for expected processes, systems, and controls to be maintained.	7.2.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Procedures are not formalised for some key operational functions throughout the Shire. Workflow process diagrams and checklists may assist to create a visual representation of a process, clearly identifying key points of control and responsibility to be evidenced and independently reviewed. Where appropriate, these may be complemented by clearly articulated descriptive documented procedures.	Lack of strategic direction for implementation of internal controls	Undertake a review of existing operational procedures, and where required develop and implement additional procedures, to provide operational guidance aligned with adopted Council policies and legislation. Procedures should provide for activities not necessarily covered by legislation to communicate expected standards to staff from management. Development of documented procedures and checklists, and / or workflow process diagrams may assist in clearly identifying controls and processes to be followed.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	March & May 2025	Policy "G - Cyber Security and Data Breach Response" adopted 24/03/2025. Internal and External Security and Penetration Testing undertaken in May 2025. Vonahi Security performed a comprehensive security assessment to assist with evaluating the cyber risks presented within the tested environment(s). The internal assessment attempted to identify security threats that are exposed on the internal network environment. Threats identified within the internal environment are usually less severe than those of the external environment due to the limited exposure. The External assessment includes performing a security assessment from the perspective of a malicious attacker from public Internet environments. Threats exposed to users on the public Internet are higher severity than those of the internal environment due to the increased exposure.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	ICT Security	Procedures and practices to ensure the security of IT information, systems and data.	7.2.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted limited controls in relation to the access to IT systems, including physical access to hardware. Some levels of permissions have been established to control network access to software and data, however this is largely undocumented.	Failure to identify risks or adequately treat identified risks. Controls reliant on the capability and honesty of staff	Undertake a comprehensive independent IT security review, document current policies and practices, and implement findings of the review. This review should be undertaken by those with the appropriate expertise, skills, qualifications and credentials. Consider implementation of routine review and verification of skills, competencies, qualifications and experience for IT service providers.

7.2.4 - ICT Risk Evaluation

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	21/09/2023	IT Risks identified and included in the Risk Register Workshop facilitated by LGIS on 21/09/2023. To work on any policies/procedures following on from identified risks and identified areas of improvement.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	ICT Risk Evaluation	The evaluation of risk in the overall security policy, general ICT and applications.	7.2.4

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
No formal evaluation process of the risks associated with the overall security procedures, general ICT and application controls is in place. We also noted formal risk treatment plans do not appear to be in place in relation to risks associated with changes to the IT systems.	Failure to identify risks or adequately treat identified risks. Controls reliant on the capability and honesty of staff	Develop evaluation systems and registers to evaluate, monitor and resolve risks related to the Shire's ICT environment. Controls should appropriately manage changes to the ICT system to ensure continuous and uninterrupted functionality of the ICT environment.

7.2.5 - Access to Shire Facilities

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
WS/CEO	Yes	Yes	13/11/2023	Depot Auto Gates installed inline with 2023/24 Budget. Self-closing to ensure restricted access to Shire personnel.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Access to Shire Facilities	Ensure access to Shire is restricted to only personnel who are authorised.	7.2.5

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted limited physical access security measures to some Shire facilities. The risk associated with this is not documented, measured or recorded appropriately to verify whether treatment plans have reduced the perceived level of risk to the Shire.	Failure to identify risks or adequately treat risks	Ensure adequate physical access security measures to prevent unauthorised individuals from accessing facilities are appropriately documented. Risks and their treatment plans should be recorded in a risk register to communicate the risk, aligned to the Shire's adopted risk management policy and framework.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/CEO	Yes	Yes	01/07/2023	As per recommendation to endorse an Internal Control Policy, and the Fraud and Corruption Policy being tabled at Council on 28/06/2023, EMT will continue work on ensuring policies and procedures are relevant and up to date to mitigate the risks with regard to segregation of duties. Internal processes have changed to segregation of duties to practices. To continue to monitor to ensure segregation/reviews are taking place.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Segregation of Duties and Internal Controls	Controls to minimise opportunities for collusion or fraud to occur, reduce the risk of errors and improve oversight and compliance with adopted policies and procedures.	7.2.6

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	**Planned action required**

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We note segregation of duties occurs for a number of key roles, however we observed through our testing instances where resource constraints prevented these controls being consistently applied. Where a single individual is responsible for or involved in multiple stages of various processes, there is an increased risk and opportunity for error or misconduct.	Breakdown of internal controls, financial and fraud risk. Failure to identify risks or adequately treat identified risks. Controls reliant on capability of staff.	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, 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. These controls should also be reflected in adopted policies and approved procedures.

7.2.7 - End of Month Processes

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO	No	Yes	01/07/2024	Comprehensive end of month procedure in place that allows for separation of duties and comprehensive reviews of end of month procedures.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	End of Month Processes	Processes for the completion of tasks and evidencing key points of control.	7.2.7

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
End of month processes appear to exist and from staff representations are routinely performed, however there was no evidence of procedures or review by an authorised officer independent of preparing/collating documentation.	Breakdown of internal controls, Controls reliant on capability of staff.	Review of reports prepared each month is a useful mechanism to detect and rectify errors or anomalies which may exist. It also provides an opportunity to ensure staff are performing and reporting duties as required. Management are strongly encouraged to continue with the development of documented checklists and procedures to demonstrate appropriate controls and reviews are in place.

7.2.8 - Outstanding Purchase Orders

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/Finance	Yes	Yes	01/05/2023	Part of end of month procedure to produce outstanding PO report and review and investigate any anomalies.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Outstanding Purchase Orders	Process to ensure invoices are being processed in a timely manner and in accordance with the purchasing policy.	7.2.8

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
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 undertaken to assist with monitoring the value of and status of associated liabilities.	Breakdown of internal controls, financial risk	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.

7.2.9 - Procurement

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	It is anticipated this item will be resolved as a flow on from the updated Purchasing Policy taken to the Policy Review Committee on 12/06/23 and recommended for Council endorsement on 28/06/2023. Policy adopted as per RES 120623 and practices updated.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Procurement	Procedures for the procurement of goods or services.	7.2.9

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Our testing identified a contractor providing services to the Shire on an ongoing basis, resulting in non-compliance between procurement thresholds and purchasing requirements in accordance with Council policy. Although a 'unique nature of supply' provision is included within the purchasing policy, the services do not appear to comply with the policy provisions.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks, financial risk	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 is practical and addresses identified procurement risks.

7.2.10 - Procurement Assessment

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	No	Yes	Oct-2024	EMT work through request for quotes and tender documents. To utilise WALGA Procurement toolkit templates when assessing next tender to ensure due diligence is undertaken when assessing high value or high risk purchases/contracts.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Procurement Assessment	Procedures to provide probity for the assessment of procurement options received.	7.2.10

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Documented formal requirements when undertaking assessments of responses to requests for quotations have not been established for high value purchases. Documented procedures are not in place to require declarations of interest and confidentiality to be signed prior to assessments being undertaken for high value purchases.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks, financial and fraud risk	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. Persons assessing any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence. Procedures for the declaration of interests prior to procurement assessments being undertaken should also be documented for high value purchases and tenders.

7.2.11 - Credit Cards

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	12/06/2023	It is anticipated this item will be resolved as a flow on from the updated Purchasing Policy taken to the Policy Review Committee on 12/06/23 and recommended for Council endorsement on 28/06/2023. Policy adopted as per RES 120623 and practices updated.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Credit Cards	Systems and processes to control use of Corporate Credit Cards held.	7.2.11

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Agreements signed by credit card holders setting out cardholder responsibilities and legal obligations when using Shire credit cards were not available for our inspection or maintained on employee files.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks, financial and fraud risk	Review systems and procedures to ensure all credit card holders have acknowledged and signed documentation setting out cardholder responsibilities and legal obligations when using Shire credit cards. Ensure credit cards are issued only after this has occurred and documentation has been appropriately filed as required.

7.2.14 - General Journals

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO	No	Yes	01/07/2024	Finance Officers completing basic journals with the DCEO completing reviews prior to update. Pending on the nature of the journals being processed by the DCEO, the CEO will review prior to updating or within the end of month journal listing review. DCEO investigating Altus Financial suite to see if module is available, and seek a quote, to see if the general journal creation and approval can be automated online (similar to Bank Reconciliations) to ensure segregation of duty and evidence of reviews taking place.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	General Journals	Processed general journals are independently reviewed and approved.	7.2.14

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
There are limited documented internal control procedures for general journals. We noted review and evidence of review of journals after posting appears to be consistently maintained. Best practice is to authorise journals prior to posting, however this may be impractical in all situations. No general journal audit trail is currently produced to ensure only authorised journals have been posted.	Breakdown of internal controls, financial and fraud risk	Document internal controls to ensure processes to support approvals/authorisations for journal requests are maintained prior to posting by an appropriate officer. The practice of independent review should be continued to be maintained, and evidence of review consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity.

7.2.15 - Grants Management

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO	Yes	Yes	30/06/2024	DCEO implemented practices to ensure regular monitoring of grants with funding conditions, acquittal processes and recording of liabilities are in line with the AASB standards. Through the annual budget process, the need for grants is assessed when capital works programs are updated and reviewed.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Grants Management	Controls for the effective management of grants, compliance with conditions imposed by funding bodies and compliance with AASB standards.	7.2.15

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted limited procedures exist to support processes and controls in respect to: • Application of grants; • Acquittal of grants; • Compliance with grant conditions; and • Grant governance and administration arrangements. Where grants are not effectively managed, there is a risk funds may be returned due to poor performance or missed opportunities in the future. In circumstances where controls are not effective for grant application processes, unbudgeted and unauthorised financial commitments may be undertaken on behalf of the Shire.	Lack of strategic direction for implementation of internal controls	Document and implement procedures to consider the need for grant programs, whether relevant factors and risks are thoroughly analysed and assessed and appropriate options for delivery are considered prior to applying for grants to ensure grant objectives are clearly defined. Systems should include controls for the monitoring of grants with funding conditions, acquittal processes and recording of liabilities in line with the AASB standards. Incomplete consideration of these factors may result in non-compliance with accounting standards and effective delivery of the Shire's grant programs. Maintain a register of grants to evidence the routine review of status, compliance and performance of grants being managed by the Shire.

7.2.16 - Revenue Controls at Shire Facilities

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/CEO	Yes	Yes	24/03/2025	Policy "F - Cash Handling" adopted on 24/03/2025. Internal procedures updated and in place.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Revenue Controls at Shire Facilities	Procedures and systems for the collection of revenue and handling of cash at Shire facilities.	7.2.16

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Revenue controls for the collection of fees and charges as well as the provision of services at some Shire facilities are considered inadequate. We noted limited controls to validate and support the accuracy of revenue collected.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff, financial and fraud risk	A review of procedures and controls is required to determine practical procedures, documentation and controls for the receipt and reconciliation of revenue across all facilities. Procedures should ensure compliance with associated regulatory requirements under the Local Government Act 1995 and associated regulations.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO	Yes	Yes	30/06/2023	The need for petty cash has lessened in past years. Management have looked at the possibility of rescinding the petty cash float which will remove the risk and need for procedures. Final petty cash recoup completed as at 30 June 2023 and Petty Cash Float is no longer.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Petty Cash	Systems and processes to ensure controls are maintained around petty cash.	7.2.17

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We did not observe any formal procedures relating to petty cash systems and controls. Controls are not routinely documented to ensure appropriate review and authorisation processes occur in relation to the storage, management and handling of cash by staff.	Breakdown of internal controls Controls reliant on the capability and honesty of staff, financial and fraud risk	Undertake a review of systems and processes relating to petty cash, to ensure adequate controls exist relating to security of cash held, as well as maintaining and processing of petty cash transactions.

7.2.19 - Rates

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO/DCEO	Yes	Yes	01/08/2023	2023/2024 rating period undertaken with independent review and verification of rating matrices. To test procedure for independent review and verification of rating matrices for accuracy for annual rating processes during 2023/24 rating period. To ensure evidence of review is documented thoroughly.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Rates	Rates are correctly imposed and rate system is properly maintained.	7.2.19

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Limited reviews are undertaken of routine annual rating functions performed. Although established procedures guide this process, we did not observe evidence of independent review and verification of rating matrices for accuracy for annual rating processes. 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.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability of staff.	Update existing systems and procedures to demonstrate appropriate controls and authorisations exist for routine rating functions, including interim rating processes and annual rates billing. Develop and maintain systems and processes, in accordance with any adopted Council policy, whereby routine reviews are undertaken of rate exempt properties within the Shire, confirming these properties are used exclusively for rate exempt purpose.

7.2.20 - Overhead and Administration Allocations

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Works	Yes	Yes	01/07/2023	Admin allocations and overhead rate review undertaken for new financial year. DCEO & Works Supervisor reviewed and updated plant allocation rates. To continue monitoring costings and allocations on a monthly basis as part of the end of month procedures. DCEO currently reviewing as part of the 2023/24 Budget preparation. Routine review and monitoring of indirect costs are part of end of month procedures.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Overhead and Administration Allocations	To allocate indirect costs in a practical and efficient manner.	7.2.20

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A documented process to determine the allocation of indirect costs was not available for our review. From staff representations, current plant allocation rates are currently based on historical estimates. We noted management are currently periodically monitoring unallocated indirect costs to undertake corrective adjustments where required, with a review of these rates intended to be undertaken in the near future.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability of staff.	Undertake a review of activity based costings to support calculation of overhead and administration allocations. Routine review and monitoring of indirect costs should be maintained for accuracy and compliance in financial reporting of works programs.

7.2.21 - Contract Management

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	No	Yes	Nov-2024	Contract register in place. Addition of contract obligation register to ensure obligations are being met.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Contract Management	To provide clear documentation of key contract / agreement information entered into with third parties by the Shire.	7.2.21

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
We noted a number functions are outsourced to external parties for a variety of professional services. Systems, procedures and contract provisions may not adequately address risks to ensure qualifications are maintained for contractors engaged. The absence of controls in relation to project and/or compliance management also imposes limitations to legislative compliance in relation to currency of specific qualifications required to perform professional duties.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Review and update systems and processes to provide for higher level controls and oversight of contracts entered into with third parties by the Shire. Agreements should be dually executed to ensure contract obligations are met by both parties.

7.2.22 - Stock Controls

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	Nov-2023	Automatic gates installed at Shire Depot. Stock recorded through accounting system. Payroll officer processes fuel receipts and Works Supervisor undertakes fuel dip after each pay run.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Stock Controls	Process to ensure stock is correctly allocated, as well as to reduce the potential for theft or misappropriation.	7.2.22

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Limited controls are in place to monitor potential erroneous allocations or misuse of stock. Stock allocations are entered and reviewed for reasonableness by management, but not independently reviewed for accuracy at periodic intervals, nor mechanisms to detect where excess stock (including fuels, oils, materials etc) may be allocated inappropriately or erroneously.	Breakdown of internal controls Controls reliant on the capability and honesty of staff, financial and fraud risk	Review security and access to stock held. Develop and implement procedures for the monitoring of stock on hand in an effort to improve opportunities to detect any issues or potential misuse with fuel allocations in a timely manner.

7.2.23 - Information Required to be Published on Official Local Government Website

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	01/03/2024	• Confirmed minutes of Committee meetings; - Available on website • Minutes of annual meeting of electors; - Available on website • Notice papers, agenda, reports and other documents presented at Council and committee meetings; - Available on website • Tender register; - Available on website • Up to date version of each policy of the local government; and - Available on website • Adopted model standards relating to CEO recruitment, performance review and termination. - Available on website. • Copies of all local laws; - Available on website.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.2	Information Required to be Published on Official Local Government Website	Ensure information is published for public information as required by legislation.	7.2.23

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
At the time of our review, we noted the following information (in addition to other matters noted throughout this report) has not been published on the Shire's official website as required by legislation: • Confirmed minutes of Committee meetings; • Minutes of annual meeting of electors; • Notice papers, agenda, reports and other documents presented at Council and committee meetings; • Copies of all local laws; • Tender register; • Up to date version of each policy of the local government; and • Adopted model standards relating to CEO recruitment, performance review and termination.	Breakdown of internal controls, compliance Breach	Ensure information is published on the Shire's official website as required by section 5.96A of the Local Government Act 1995 and any other relevant section of the Act.

7.3.2 - Employee Appointment Procedures

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Payroll	Yes	Yes		WALGA & OAG templates used to create Shire of Koorda new employee forms. OAG & WALGA Guidelines downloaded. DCEO & Payroll Officer working to create new induction forms and checklists to ensure all details are correct and appropriate when appointing new employees. Areas identified as part of Workforce Plan 2022-2025 (1.3, 4.2 & 4.4)

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.3	Employee Appointment Procedures	Procedures to ensure appointment of staff are appropriately authorised, and onboarding processes are consistently and routinely applied.	7.3.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
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.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Develop and implement procedures to ensure all new staff are appropriately inducted and aware of the parameters of their employment responsibilities and obligations including: • WH&S; • Duties and responsibilities; • Security; • Code of Conduct; • HR Policies and Procedures; • Legislative Compliance; • Risk Management; and • Other relevant and required topics.

7.3.3 - Personnel Records

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT/Payroll	Yes	Yes	January 2025	Payroll Officer utilising Altus ECM to remove all personnel records from the Shared drive into the electronic content manager. Altus ECM has the capacity to restrict access and limit permissions for officer who should not be viewing personnel records.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.3	Personnel Records	Ensure employee records are securely stored to prevent unauthorised access.	7.3.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Hard copy personnel records are securely locked in a cabinet, however electronic records are not adequately restricted. Management representations indicate efforts are being undertaken to improve access restrictions through the EDRMS.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Secure electronic personnel records by restricting access and limiting permissions to share drives only to officers who are appropriately authorised to access these records or an appropriate alternate security control.

7.3.4 - Staff Contracts and Employee Files

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT/Payroll	Yes	Yes	30/06/2024	HR forms updated to ensure any changes to payroll is reviewed by a more senior employee. Comprehensive audit summary reports are produced each payroll that capture any changes to the payroll system that have occurred, which gets verified and reviewed by a senior officer.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.3	Staff Contracts and Employee Files	To provide a documented record of the terms and conditions of each employee's contract of employment.	7.3.4

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Through our limited testing, we noted an instance where evidence of correspondence on an employee file to support an allowance applied through the payroll was not available.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Update systems and procedures to evidence controls for the application and review of employee conditions within the payroll master file. Interventions should be available at various stages for a number of operational functions, including routine independent reviews of controls to ensure they are being maintained as required. Undertake a review of all personnel files to reconcile documentation relating to conditions of employment, remuneration, roles and responsibilities with payments being made.

7.3.5 - Staff Training

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	No	Yes	Oct-2024	Online payroll system utilised to monitor currency of required licences and qualifications by staff. Automatic prompts inbuilt to flag if/when licences expire. Annual declaration required by employees during performance review to produce a copy of valid drivers licence.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.3	Staff Training	To ensure staff have access to ongoing and appropriate training.	7.3.5

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Planned and required staff training needs for employees are currently identified and recorded in a central training register. Further value from this initiative can be added through refining the current matrix toward a more formal required staff training structure, applied throughout the organisation.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability of staff.	Refine the current staff training register to identify staff training needs relevant to each role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.

7.3.6 - Payroll Exception Reporting

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Payroll	Yes	Yes	21/06/2023	Fortnightly comparison (as at 21/06/2023) and audit summary reports (since implementation of system) being produced during the review of each pay period to ensure any major anomalies in payroll are picked up and looked into/verified.

The audit trial reports on; hired employees, terminated employees, shared bank accounts and organisation; leave policy changes, pay policy changes and provision policy changes. As well as employee; bank changes, project changes, role changes, department changes, pay calendar changes, pay policy changes, leave policy changes, tax declaration changes, tax variation changes, superannuation account changes, superannuation contribution changes, addition or deduction changes, work schedule changes, compliance changes.

Any changes to detail, the authorising officer will confirm details of changes on a form signed by the employee. |

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.3	Payroll Exception Reporting	Procedures to assist with accurate processing of employee entitlements.	7.3.6

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. Staff have advised more formal documentation / checklists are intended to be created to assist with payroll processing, review and authorisation.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability of staff.	Review procedures and controls to define systems 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.

7.4.1 - Contractor Insurance

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO & Finance	No	Yes		Finance Officers working to update Creditor Application/Update form to capture Contractor Insurance and a prompt to seek updated certificates on expiry.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	7.4	Contractor Insurance	Insurance cover maintained by contractors for damage caused when undertaking works for the Shire.	7.4.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Contractors' insurances are not always assessed prior to award of contracts in all cases. Reliance is placed on contract managers to ensure copies of insurances are provided.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	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 obtained and held on file prior to award of contracts.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Governance	Yes	Yes	01/09/2023	Attachments are linked within the agenda and minutes items, not inserted into the document. Unfortunately, links have an expiry, so staff are investigating the best way to include the attachments on the website. 2023 Attachments uploaded as a separate document to website.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Attachments (monthly statement of financial activity, accounts for payment list etc) are not published in the minutes on the official local government website to support the decisions made, including where the decision refers to the officer report or an attachment.	Failure to identify risks or adequately treat risks. Internal control or compliance breach	Ensure all documents supporting Council / Committee decisions are included in the official minutes, and all minutes are also published on the official local government website as required by legislation. Review procedures for recording of official minutes to ensure all detail, decisions and proceedings required to be recorded by legislation are captured.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	01/12/2023	As the Risk Register has been updated and a draft Risk Management Strategy for consideration at the Audit & Risk Committee Meeting planned for 18/12/2023, Council items for the December 2023 Council Meeting include Risk ratings/implications for each item.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.1	Council and Audit Risk Committee	Monitoring and consideration of risks when making strategic decisions.	8.1.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Identified risks are not consistently included within agenda items for elected member consideration for recording in the risk register.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Identified risks relating to a Council and / or Committee decision should be consistently communicated within the agenda item, to enable elected members to be fully informed of the identified risks when making decisions. Risks should also be appropriately recorded in a risk register.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO	Yes	Yes	30/05/2023	Have made changes to the "Council Meeting" Module on the website to categories Meetings (Council, Special, Audit, Electors) to clearly separate meetings to ensure compliance. Have uploaded Audit Minutes back to 2021 in this category, with the rest being available for inspection at the Shire Office if required.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.1	Audit Committee	To provide oversight in monitoring compliance with legislation, performance, risk and internal controls, internal audit, liaising with external auditors and reporting to Council.	8.1.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Minutes of all Audit Committee meetings were not published on the official local government website at the time of our review.	Failure to identify risks or adequately treat risks. Internal control or compliance breach	Ensure all Committee minutes are published on the official local government website as required by legislation.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	21/09/2023	LGIS Risk Workshop undertaken Thursday 21 September 2023. Risk Register complete. To include in quarterly reporting to Audit Committee.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.2	Risk Register	Provide a record of risk breaches and remedial action taken.	8.2.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A risk register was not available for our inspection to reflect identified risks, and if they have been adequately treated.	Failure to identify risks or adequately treat risks Breakdown of internal controls	Maintaining risk registers for all identified risks is important to help ensure appropriate recording and communication of high rated risks, along with providing a record to enable the verification of whether treatment plans have appropriately reduced the risk. Routine (at least quarterly) review of the risk register is required to assist in ensuring identified risks are adequately treated.

8.2.3 - Register of Hazardous Materials

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
EMT	Yes	Yes	01/09/2023	A register of hazardous materials was not requested upon site visit. A Register exists, staff to regularly review to ensure contents are applicable and up to date.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.2	Register of Hazardous Materials	Provide a record of properties under the Shire's control containing hazardous materials.	8.2.3

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire which may contain hazardous materials such as asbestos, and if associated risks have been adequately treated.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability and honesty of staff.	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO & EHO	Yes	Yes	01/09/2023	Due to the discontinuation in NEWHEALTH, the handover and requirement to inspect private swimming pools was delayed. A swimming pool inspection register exists and has been updated to provide details of the last inspection and next inspection date. Outstanding pool inspection was due to resident not residing full time at the Koorda Property, and the EHO working remotely. To liaise with EHO regarding overdue inspection. Inspections flagged within Compliance Calendar.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.2	Swimming Pool Inspection Register	Register of inspections undertaken.	8.2.6

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A register of inspections of private swimming pools within the district is currently maintained, although it was noted some routine inspections were not performed in the required timeframe, with one inspection remaining overdue. Management representations indicate additional resources were allocated in December 2022 to undertake the backlog of inspections, and to maintain the frequency of inspections.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability and honesty of staff.	Update systems and processes to ensure routine monitoring and review of the register occurs for future private swimming pool inspections to be undertaken within required timeframes.

8.2.7 - Development Applications and Building Permits Register

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO	Yes	Yes	01/07/2023	With new Delegated Authority Register Reporting, a Development Application and Building Permit Register has been created and details of new applications are being recorded to ensure compliance with mandated timeframes. As per the 2023 Delegation Register, (Section 5 Building Act 2011 Delegations and Section 12 Planning and Development Act 2005 Delegations) - the adopted reporting requirements seek "Delegations exercised are to be reported to Council monthly." A register, whether part of the report to Council, or separate, to include date of application, due date of decision and date of decision.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.2	Development Applications and Building Permits Register	Provide a record of the receipt and status of applications received.	8.2.7

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A register to record and track applications for building permits and development applications is not currently maintained. Reliance for compliance with statutory processing timeframes of applications received remains with only one officer, with no independent oversight, monitoring or reporting being undertaken.	Failure to identify risks or adequately treat identified risks. Controls reliant on capability and honesty of staff, compliance breach	Create and maintain a register to record the details and status of applications for building permits and development, to assist with ensuring applications are processed within mandated timeframes.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
DCEO/ Governance Committee	Yes	Yes	17/04/2024	Policy "G - Code of Conduct Behaviour Complaints Management" adopted as per RES: 171023 Policy "G - Complaints Management" adopted as per RES: 060424

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.4	Community Complaints Procedures	Procedures for the recording handling and resolution of community complaints.	8.4.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A customer complaints register is not currently maintained to follow up and ensure all complaints are adequately addressed. This type of register may assist with alignment to the requirements of the complaints handling policy.	Failure to identify risks or adequately treat risks	To help ensure all complaints are adequately monitored, reported and resolved, a register of customer complaints received should be maintained and systems and processes should ensure staff are aware of their obligations in accordance with adopted policies.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO				Management undertaking risk assessment on internal audit.

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.5	Internal Audit	Internal audit monitors the level of compliance with internal procedures and process along with assessing the appropriateness of these procedures.	8.5.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.	Failure to identify risks or adequately treat risks	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.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO	Yes	Yes	28/06/2023	Note in budget to prompt allocation for FMR & Reg 17 review. Policy "Legislative Compliance" recommended to be endorsed at Council on 28/06/2023 includes a prompt as per excerpt below. Review due date captured in Compliance Calendar. *Regulation 17 of the Local Government (Audit) Regulations 1996 requires the CEO to review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance not less than once in every 3 financial years and report to the Audit Committee the results of that review.*

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.6	Audit Regulation 17 Review	CEO's review of the appropriateness and effectiveness of systems and procedures for Risk Management, Internal Controls and Legislative Compliance in accordance with Regulation 17 of Local Government (Audit) Regulations 1996.	8.6.1

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A review was last undertaken in 2018 which is outside of the time period as required by Regulation 17 of Local Government (Audit) Regulations 1996. The previous review made no recommendations in relation to the appropriateness and effectiveness of risk management, legislative compliance and internal controls.	Breakdown of internal controls, Compliance breach	Ensure the next review is undertaken within the time period as required by Regulation 17 of Local Government (Audit) Regulations 1996. Ensure future reviews identifies operational and financial risk, control weaknesses and compliance weaknesses.

Responsible Officer	Completed - Yes/No	Action Taken	Date Action Taken	Comment
CEO	Yes	Yes	28/06/2023	Note in budget to prompt allocation for FMR & Reg 17 review. Policy "Legislative Compliance" recommended to be endorsed at Council on 28/06/2023 includes a prompt as per excerpt below. Review due date captured in Compliance Calendar. *Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 also requires the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

Context of assessment	Report Section	Component	Purpose/Goal	Risk Number
Functional	8.6	Financial Management Review	Review of the appropriateness and effectiveness of the Financial Management systems and procedures of the local government, required to be undertaken every three years by Regulation 5(2) of Local Government (Financial Management) Regulations 1996.	8.6.2

Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequence	Risk Category	Action Required
Feb-23	Possible	Moderate	Minor	Moderate	Medium	Planned action required

Risk Issue and Failure Modes	Risk Identified	Mitigation and Management Strategy (Possible Future Controls)
A review was last finalised in 2016, with the next review being undertaken in February 2022 which is outside of the time period as required by Regulation 5(2) of Local Government (Financial Management) Regulations 1996.	Breakdown of internal controls, Compliance breach	Ensure the next review is undertaken within the time period as required by Regulation 5(2) of Local Government (Financial Management) Regulations 1996

Contents

Changes since last reporting period

2.4 - Volunteer Management & Training	Yet to Commence→Almost Complete
4.1 - Compliance framework	Yet to Commence → Effective
5.1 - Records Management Framework	Commenced→Almost Complete
6.7 - Volunteer Policy and Procedure	Yet to Commence→Almost Complete
6.8 - Internal Engagements (Meetings)	Adequate → Effective
6.9 - HR Policies and Procedures	Inadequate→ Adequate
8.4 - Compliance and Governance Calendar	Adequate → Effective
9 - External Theft and Fraud – Overall control effectiveness	Adequate → Effective
9.1 - Cash Handling Processes	Adequate → Effective
12.3 - Cash Handling Procedure	Adequate → Effective
12.10 - HR Policies and Procedures	Inadequate→ Adequate
14.1 - Contractor Management Procedures	Yet to Commence→Almost Complete
Inadequate→ Adequate→ Effective	Yet to Commence→ Commenced→Almost Complete→Completed

How to read this report

Key risks can then be identified and captured within the Risk Profiles. The Shire utilises risk profiles to document how it manages these risks. These risks are usually managed and monitored at the Executive/management level.

The Operational Risk profiles assessed are:

1. Asset Sustainability
2. Business and Community Disruption
3. Community Engagement
4. Compliance Obligations
5. Document Management
6. Employment Practices
7. Environment Management
8. Errors, Omissions and Delays
9. External Theft and Fraud
10. IT, Communication Systems and Infrastructure
11. Management of Facilities, Venues and Events
12. Misconduct
13. Project / Change Management
14. Purchasing and Supply
15. WHS

For each category, the profile contains the following:

- Risk Description
- Causal Factors
- Potential Outcomes
- Inherent Risk
- Residual Risk
- Key Controls / Control Type
- Control Operating Effectiveness
- Risk Evaluation:
- Actions and Responsibility

More details for each section can be found below:

- Risk Description: What can go wrong? / What are areas of uncertainty? Describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event.
- Causal Factors: What are the potential consequential outcomes of the risk eventuating?
- Potential Outcomes: How may this risk eventuate?
- Inherent Risk: The amount of risk that exists in the absence of controls.
- Residual Risk: The amount of risk that remains after controls are accounted for.
- Key Controls / Control Type: What are the current measurable activities that mitigate this risk from eventuating?

Existing Controls Ratings			
Rating	**Foreseeable**	**Description**	
Effective	There is little scope for improvement.	*Documentation*	Processes (Controls) fully documented, with accountable 'Control Owner'.
		Operating Effectiveness	Subject to ongoing monitoring and compliance to process is assured.
		Design Effectiveness	Reviewed and tested regularly.
Adequate	There is some scope for improvement.	*Documentation*	Processes (Controls) partially documented, with a clear 'Control Owner'.
		Operating Effectiveness	Limited monitoring, ad-hoc approach and compliance to process is generally in place.
		Design Effectiveness	Reviewed and tested, but not regularly.
Inadequate	There is a need for improvement or action.	*Documentation*	Processes (Controls) not documented or no clear 'Control Owner'.
		Operating Effectiveness	No monitoring or compliance to process is not assured.
		Design Effectiveness	Have not been reviewed or tested for some time.

1. Asset Sustainability

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

Casual Factors	Potential Outcomes
- Skill level & behaviour of operators - Lack of trained staff - Outdated equipment - Insufficient budget to maintain or replace assets - Unavailability of parts - Lack of Maintenance - Breakdowns	- Financial - Service interruption - Property damage - Non compliance - Health

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Likely	Extreme

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
1.1. Roads Routine Maintenance Program	Preventative	Effective	Effective
1.2. Plant Routine Maintenance Program	Preventative	Effective	Effective
1.3. Buildings Routine Maintenance Program (reactive)	Preventative	Effective	Effective
1.4. Procurement & Disposal Process	Preventative	Effective	Effective
1.5. Asset Management Data Entry (Multiple) & Monitoring	Preventative	Effective	Effective
1.6. Asset Register	Preventative	Effective	Effective
1.7. Reactive Maintenance Program	Detective	Effective	Effective
1.8. Community Strategic Plan (new)	Preventative	Effective	Effective
1.9. Asbestos Management Plan (in development)	Detective	Effective	Effective
		Overall Control Effectiveness	Effective

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Possible	Moderate	Urgent attention

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
1.3	Building Maintenance/EMT	Yes	14/02/2024	Inspections undertaken mid-February for all tenant housing, and public building inspections are due to be complete in March to ensure a comprehensive building maintenance program can be formulated for consideration with the 2024/2025 draft budget.
1.7	Building/Admin	Yes		Online "works request" on website enables all facility users and members of the public to log any issues with buildings or footpaths/roads in a timely fashion. The online system is an efficient way to ensure requests/maintenance reports are handled and tended to in a timely manner.
1.8	Council/EMT	Yes	26/04/2024	A desktop review of the Integrated Strategic Plan was undertaken in 2024 and adopted by Council at the June 2024 Ordinary Council meeting as per resolution 120624.

2. Business and Community Disruption

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

Casual Factors	Potential Outcomes
- Cyclone, storm, fire, earthquake - Terrorism / sabotage / criminal behaviour - Epidemic / Pandemic - Loss of suppliers - Climate change - Loss of key staff - Loss of key infrastructure	- Service interruption - Reputational damage - Health - Financial impact

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
2.1. Business Continuity & Disaster Recovery Plan	Recovery	**Inadequate**	**Effective**
2.2. Local Emergency Management Arrangements (LEMA)	Preventative	**Effective**	**Effective**
2.3. Local Emergency Management Committee (LEMC)	Preventative	**Effective**	**Effective**
2.4. Volunteer Management & Training	Preventative	**Adequate**	**Adequate**
2.5. Internal Emergency Management Plan	Preventative	**Adequate**	**Adequate**
2.6. Generator availability across Shire	Preventative	**Effective**	**Effective**
2.7. IT Disaster Recovery Plan	Detective	**Effective**	**Effective**
		Overall Control Effectiveness	**Effective**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Unlikely	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
2.1	DCEO	Yes	08/01/2024	Draft Business Continuity and Disaster Recovery Plan is tabled for consideration at the March 2024 Audit & Risk Committee meeting for referral to Council as per Item 9.5 in the March 2024 Ordinary Council Meeting agenda.
2.4	DCEO	Yes	15/05/2025	DCEO drafted Policy "O - Volunteer Management" for EMT to review.
2.5	EMT/Risk Co-Ordinator			Update internal emergency management plans and diagrams including emergency evacuation training. Review and update emergency evacuation diagrams.
2.6	DCEO	Yes		As part of Seroja Resilience Funding, additional generators are planned for deployment around the Shire to ensure continuation of services in disasters/outages.
2.7	IT Consultants			IT Disaster Recovery Plan exists, however to move from Adequate to Effective, the Plan requires testing to ensure it is relevant and applicable.

3. Community Engagement

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

Casual Factors	Potential Outcomes
- Relationship breakdowns with community groups - Leadership inattention to current issues - Inadequate documentation or procedures - Budget/funding issues - Poor communication and engagement on issues - Inadequate support for community groups	- Reputation - Compliance - Service interruption - Environmental

Inherent Risk	Consequence	Likelihood	Risk Rating
	Moderate	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
3.1. Complaint Management Process	Preventative	**Inadequate**	**Effective**
3.2. Social Media Policy	Preventative	**Effective**	**Effective**
3.3. Community Group Involvement	Detective	**Adequate**	**Adequate**
3.4. Customer Service Charter	Preventative	**Inadequate**	**Effective**
3.5. Community Notices/Communication	Preventative	**Effective**	**Effective**
3.6. Community Strategic Plan	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Insignificant	Likely	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
3.1	DCEO/Governance Committee	Yes	17/04/2024	Adoption of Policy "G - Complaint Management" as per RES: 060424
3.4	DCEO	Yes	12/03/2024	Customer Service Charter tabled for consideration as per Item 12.2 in the March 2024 Ordinary Council Meeting agenda.
3.6	Council/EMT	Yes	26/04/2024	A desktop review of the Integrated Strategic Plan was undertaken in 2024 and adopted by Council at the June 2024 Ordinary Council meeting as per resolution 120624.

4. Compliance Obligations

Risk Description
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation. It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

Casual Factors	Potential Outcomes
- Lack of training, awareness and knowledge - Staff Turnover - Inadequate record keeping/ failure of corporate electronic systems - Ineffective policies & processes - Impulsive decision making - Elected member turnover - Lack of Legal Expertise - Breakdowns in the tender or procurement process - Ineffective monitoring of changes to legislation - Attitudinal problems	- Non-compliance - Reputational - Environmental - Financial Impact

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Possible	High

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
4.1. Compliance framework (in development)	Preventative	Inadequate	Effective
4.2. 'Advice' monitoring (subscriptions)	Preventative	Effective	Effective
4.3. Annual Compliance Return (CAR)	Detective	Effective	Effective
4.4. Reg 17	Preventative	Effective	Effective
4.5. FMR	Preventative	Effective	Effective
4.6. Audit Committee	Preventative	Effective	Effective
4.7. Council Policies	Preventative	Inadequate	Adequate
		Overall Control Effectiveness	Adequate

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Possible	Moderate	Monitor

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
4.1	DCEO	Yes	01/05/2025	Compliance framework added to annual planner which covers (policy review, local law reviews, compliance reviews, statutory reporting etc), assigns a responsible officer and reminders when reviews fall due.
4.3	CEO/DCEO	Yes	05/03/2024	Compliance Audit Return completed for 2023 and included for consideration by the Audit and Risk Committee at the March 2024 meeting, before being tabled for Council endorsement.

| 4.5 | CEO/DCEO | Yes | 01/06/2023 | Since the adoption of the initial FMR Report in May 2023, Staff have been working to implement recommendations and report quarterly to the Audit and Risk Committee on the progress made. |
| 4.7 | Governance/EMT | Yes | 18/12/2022 | A full Council Policy review and re-write is still being undertaken. |

5. Document Management

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

Casual Factors	Potential Outcomes
• Spreadsheet/database/document corruption or loss • Inadequate access and / or security levels • Inadequate Storage facilities (including climate control) • Lack of knowledge/training • Incompatible systems • Lack of awareness of the State Records Act • Outdated record keeping practices • Incomplete authorisation trails	• Compliance • Reputation • Loss of data

Inherent Risk	Consequence	Likelihood	Risk Rating
	Moderate	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
5.1. Records Management Framework	Preventative	**Adequate**	**Adequate**
5.2. Policy & Procedural Review process	Preventative	**Inadequate**	**Adequate**
5.3. Record Management Officer	Preventative /Detective	**Effective**	**Effective**
5.4. Record Keeping Plan	Preventative	**Effective**	**Effective**
5.5. IT Disaster Recovery Plan	Preventative	**Adequate**	**Effective**
5.6. Staff Training and Development	Preventative	**Adequate**	**Adequate**
5.7. Altus (Synergy)	Preventative	**Inadequate**	**Inadequate**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Likely	**High**	**Urgent attention**

Actions/ Treatments				
Control	**Responsible Officer**	**Action Taken**	**Date Action Taken**	**Comment**
5.1	Records/DCEO	Yes	June 2025	The Shire's Record Keeping Plan was updated and approved (by State Records) in June 2020/ This RKP is to be reviewed every five years, or earlier if considered necessary. Draft Policy "G - Information and Records Management" to be tabled for endorsement at June 2025 OCM.
5.2	EMT/Governance Committee	Yes		The EMT and Governance Committee are currently undertaking a full Policy Manual Review and update.
5.5	IT Consultants	Yes	Oct-2024	Disaster Recovery Plan tested and programmed to be tested on an annual recurring basis.
5.6	DCEO/EMT	Yes	01/02/2024	To ensure staff training and development is relevant and up to date. As per section 6.9 HR policies and procedures, a draft policy relating to "Performance and Development Review Policy and Procedure" has been drafted for consideration by the EMT before consultation commences with the Staff prior to adoption.

6. Employment Practices

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

Casual Factors	Potential Outcomes
- Leadership failures - Key / single-person dependencies - Poor internal communications / relationships - Ineffective Human Resources policies, procedures and practices - Ineffective performance management arrangements - Limited staff availability - labour market - Inadequate staff training / knowledge	- Health - Compliance - Reputation - Service interruption

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
6.1. Onboarding / Induction process	Preventative	**Adequate**	**Adequate**
6.2. Staff training	Preventative	**Adequate**	**Adequate**
6.3. Performance Management Process	Preventative	**Effective**	**Effective**
6.4. Staff Exit process	Preventative	**Effective**	**Effective**
6.5. Workforce Planning	Preventative	**Effective**	**Effective**
6.6. Code of Conduct	Preventative	**Effective**	**Effective**
6.7. Volunteer Policy and Procedures	Preventative	**Inadequate**	**Adequate**
6.8. Internal engagements (meetings)	Preventative	**Adequate**	**Effective**
6.9. HR Policies and procedures	Preventative / reactive	**Inadequate**	**Adequate**
6.10. WALGA IP Support	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Unlikely	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
6.3	DCEO/EMT	Yes	01/03/2024	As per item 6.9, the proposed draft HR Policies and procedures aim to outline the policy and procedure around performance management.
6.5	CEO/DCEO	Yes	01/03/2024	CEO commenced working review of the current Workforce Plan.
6.7	DCEO/EMT	Yes	May 2025	DCEO drafted Volunteer Management Policy for EMT consideration.
6.8	CEO/DCEO	Yes	May 2025	Weekly admin meetings commenced in May to ensure internal communications and engagement is maintained and effective.
6.9	DCEO/EMT	Yes	01/02/2024	As part of the Council Policy Review Process currently being undertaken, the Operational policies were removed from the Council Manual and require updating and review. The DCEO has drafted

				the below policies for consideration by the EMT before referral to the staff for comment prior to adoption. The EMT are meeting 19/03/2024 to consider the draft policies before moving to the next step of consultation with the Staff prior to adoption. - Annual Leave & Long Service Leave Management - Disciplinary Policy - Discrimination, Harassment and Bullying Policy - Employee Recruitment and Selection - Grievance Policy - Performance and Development Review Policy and Procedure - Performance Improvement Policy - Social Media - Employees

7. Environmental Management

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

Casual Factors	Potential Outcomes
• Inadequate management of landfill sites • Lack of understanding / knowledge • Inadequate local laws / planning schemes • Prolific extractive industry (sand, limestone, etc) • Poor management of contaminated sites • Clandestine drug labs disposing of chemicals illegally • Weather events / natural disasters • Climate change • Inadequate weed and pest management • Land contamination	• Environment • Compliance • Health • Reputation • Property • Financial

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Almost Certain	**Extreme**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
7.1. Waste Facilities Management Plan	Preventative	**Effective**	**Effective**
7.2. Strategic Plan - includes reference to environmental and waste services and conservation of our natural environment	Preventative	**Effective**	**Effective**
7.3. Spill kits/PPE	Preventative	**Effective**	**Effective**
7.4. Above ground fuel tank bunded	Preventative	**Effective**	**Effective**
7.5. Weed Control Program	Preventative	**Effective**	**Effective**
7.6. Vegetation control program	Preventative	**Effective**	**Effective**
7.7. Asbestos Management Plan	Preventative/Detective	**Effective**	**Effective**
7.8. EHO (shared resource)	Preventative	**Adequate**	**Effective**
7.9. Sewerage Management Plan	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Effective**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Likely	**Moderate**	**Monitor**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
7.8	CEO	Yes	01/05/2024	Partnership formed with City of Wanneroo to utilise their team of Environmental Health Officers for Shire of Koorda tasks.

8. Errors, Omissions and Delays

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

Casual Factors	Potential Outcomes
• Inadequate internal processes • Lack of knowledge/training • Legislative changes • Unrealistic community/council expectations • Incorrect information • Staff turnover • Work pressures / deadlines • Failure to monitor external non-compliance (swimming pools/food hygiene) • Human Error	• Compliance • Reputational • Financial • Property

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Possible	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
8.1. Delegations Register	Preventative	**Effective**	**Effective**
8.2. Town Planner (Consultant)	Preventative	**Effective**	**Effective**
8.3. Local Planning Strategy	Preventative	**Inadequate**	**Adequate**
8.4. Compliance and Governance Calendar	Preventative	**Inadequate**	**Effective**
8.5. Access to state legislation	Preventative	**Effective**	**Effective**
8.6. Contract Health Officer	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Unlikely	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
8.3	Planning Consultant			Local Planning Strategy is in place, however may require review and updating as the current version was adopted in 2014. To review with Local Planning Policy Review.
8.4	EMT/Governance	Yes	April 2025	Microsoft planner utilised for compliance tasks to ensure reminders are sent when items require review or attention, and reporting can be produced to view tasks completed, commenced or outstanding.

9. External Theft and Fraud

Risk Description
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic), for the purposes of fraud, malicious damage or theft.

Casual Factors	Potential Outcomes
• Inadequate security measures • Robbery / theft • Cyber crime • Scam invoices • Inadequate knowledge/training • Staff collusions	• Financial • Reputational • Property • Service Interruption

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Likely	Extreme

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
9.1. Building Security access controls (alarms, CCTV, keypad access)	Preventative	Adequate	Effective
9.2. Equipment storage security access controls	Preventative	Adequate	Effective
9.3. IT Security Framework (third party vendor)	Preventative	Effective	Effective
9.4. Cash handling processes	Preventative	Inadequate	Effective
9.5. Asset Registers	Preventative	Effective	Effective
9.6. Attractive items Registers	Detective	Effective	Effective
9.7. Keys secured overnight	Preventative	Adequate	Effective
		Overall Control Effectiveness	Effective

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Insignificant	Possible	Low	Accept

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
9.4	EMT	Yes	Oct-2024	Policy "G – Cash Handling" adopted by Council 24/03/2025. Cash handling procedures updated and implemented.

10. IT, Communication Systems and Infrastructure

Risk Description
Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community.

Casual Factors	Potential Outcomes
• Power outage on site or at provider • Software / hardware vulnerability and/or failure • Cyber crime and viruses • Inadequate IT incident and recovery processes • Failure of vendor • User error	• Financial • Service Interruption • Property • Reputational

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
10.1. IT Infrastructure replacement / refresh program	Preventative	**Effective**	**Effective**
10.2. IT Vendor Agreement monitoring program (Wallis)	Detective	**Effective**	**Effective**
10.3. IT Disaster Recovery Plan	Recovery	**Adequate**	**Effective**
10.4. Infrastructure Security	Preventative	**Effective**	**Effective**
10.5. UPS / Generator	Preventative	**Effective**	**Effective**
10.6. Mobile phones for key staff	Preventative	**Effective**	**Effective**
10.7. 2 ways and sat phones	Preventative	**Effective**	**Effective**
10.8. IT security training	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Effective**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Possible	**Moderate**	**Monitor**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
10.3	IT Consultants	Yes	Oct-2024	Disaster Recovery Plan tested and programmed to be tested on an annual recurring basis.

11. Management of Facilities, Venues and Events

Risk Description
Failure to effectively manage the day to day operations of facilities, venues and events.

Casual Factors	Potential Outcomes
• Lack of internal procedures • Inappropriate alcohol consumption • Inadequate hiring agreements • Poor event planning • Lack of internal knowledge/training • Lack of monitoring	• Financial • Reputational • Compliance • Health • Environment

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
11.1. Event management approval process	Preventative	**Effective**	**Effective**
11.2. Inspection and cleaning schedules	Preventative	**Effective**	**Effective**
11.3. Facility / Venue booking process	Preventative	**Effective**	**Effective**
11.4. Ad hoc inspection program	Preventative	**Effective**	**Effective**
11.5. Environmental Health Officer (contracted)	Preventative	**Effective**	**Effective**
11.6. Community Inspection Program	Detective	**Effective**	**Effective**
11.7. User access agreements with community (sporting)	Preventative	**Inadequate**	**Inadequate**
		Overall Control Effectiveness	**Effective**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Unlikely	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
11.7	Consultant	Yes		As per allocation in 2023/2024 Budget, Caroline from 150 Square is working with sports clubs and organisations for the Recreation Management Model project, and in addition to this will formulate user access agreements with the various clubs/organisations utilising Shire facilities. Caroline emailed draft MOUs for review. To seek feedback from clubs.

12. Misconduct

Risk Description
Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority.

Casual Factors	Potential Outcomes
- Inadequate training - Lack of policies and procedures (code of conduct) - Delegated authority circumvented - Lack of internal control - Poor recruitment practices - Insubordination - Workplace culture	- Financial - Health - Services - Reputation - Compliance

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Possible	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
12.1. Delegations register and process	Preventative	**Effective**	**Effective**
12.2. IT Security Framework (Profile Use)	Preventative	**Effective**	**Effective**
12.3. Cash handling procedures	Preventative	**Inadequate**	**Effective**
12.4. Staff on-boarding / induction program	Preventative	**Adequate**	**Adequate**
12.5. Internal reporting process (not documented)	Preventative	**Adequate**	**Adequate**
12.6. Code of Conduct	Preventative	**Effective**	**Effective**
12.7. Council policies	Preventative	**Inadequate**	**Adequate**
12.8. Performance Appraisal Program	Detective	**Adequate**	**Effective**
12.9. Effective Leadership	Preventative	**Effective**	**Effective**
12.10. HR Policies	Preventative	**Inadequate**	**Adequate**
12.11. Recruitment process (WALGA template)	Preventative	**Adequate**	**Adequate**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Minor	Rare	**Low**	**Accept**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
12.3	EMT	Yes	Oct-2024	Draft cash handing policy drafted to be considered at next Governance Committee Meeting.
12.7	EMT/Governance Committee	Yes		The EMT and Governance Committee are currently undertaking a full Policy Manual Review and update.
12.8	EMT	Yes	30/06/2024	Annual performance reviews undertaken June every year. Discussions include performance appraisals and identification of any training needs.
12.10	DCEO/EMT	Yes	01/02/2024	As part of the Council Policy Review Process currently being undertaken, the Operational policies were removed from the Council Manual and require updating and review. The DCEO has drafted

				the below policies for consideration by the EMT before referral to the staff for comment prior to adoption. The EMT are meeting 19/03/2024 to consider the draft policies before moving to the next step of consultation with the Staff prior to adoption. - Annual Leave & Long Service Leave Management - Disciplinary Policy - Discrimination, Harassment and Bullying Policy - Employee Recruitment and Selection - Grievance Policy - Performance and Development Review Policy and Procedure - Performance Improvement Policy - Social Media - Employees
12.11	DCEO/EMT	Yes	01/02/2024	As per above a draft "Employee Recruitment and Selection" policy has been drafted. In addition to this a Recruitment and Selection procedure will be drafted for review and implementation.

13. Project/Change Management

Risk Description
Inadequate analysis, design, delivery and reporting of projects / change initiatives.

Casual Factors	Potential Outcomes
- Poor planning methodology and process - Excessive/unrealistic project lists - Inadequate monitoring of projects - Lack on internal resources - Supply chain restrictions - Ineffective procurement processes	- Reputation - Financial - Service Interruption

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Possible	**High**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
13.1. Poor planning methodology and process	Preventative	**Effective**	**Effective**
13.2. Purchase orders	Preventative	**Effective**	**Effective**
13.3. Project proposal templates	Preventative	**Inadequate**	**Adequate**
13.4. Use of project management tools	Preventative	**Inadequate**	**Adequate**
13.5. Project reporting processes	Preventative	**Effective**	**Effective**
13.6. Procurement plan (template)	Preventative	**Adequate**	**Adequate**
13.7. Planning processes (public consultation)	Preventative	**Effective**	**Effective**
13.8. Budget allocations	Preventative	**Adequate**	**Effective**
13.9. Purchasing Policy	Preventative	**Effective**	**Effective**
13.10. Project timelines	Preventative	**Inadequate**	**Adequate**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Possible	**Moderate**	**Monitor**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
13.3	EMT	Yes	Jul-2024	As per 2024/2025 Budget Adoption item presented to Council, it was stated that all projects will not proceed until individual project plans are presented to and endorsed by Council.
13.4	EMT			To utilise WALGA procurement toolkit as a guide in drafting and implementing policies and procedures around project planning and procurement.
13.8	CEO	Yes	17/07/2024	Comprehensive Budget workshops undertaken with Councillors for the creation of the 2024/2025 budget. Introduction of project proposals from the 2024/2025 budget that are formulated and tabled at Council prior to projects commencing. Project proposals include finalised plans and pricing.
13.10	EMT			To utilise WALGA procurement toolkit as a guide in drafting and implementing policies and procedures around project planning and procurement.

14. Purchasing and Supply

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

Casual Factors	Potential Outcomes
- Inadequate tendering/procurement processes - Limited internal resources (physical and financial) - Inadequate contractor management practices - Inadequate supply/contractor monitoring - Supply chain limitations	- Financial - Service Interruption - Reputation - Compliance - Property

Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Almost Certain	**Extreme**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
14.1. Contractor management procedures	Preventative	**Inadequate**	**Inadequate**
14.2. Purchasing policy	Preventative	**Effective**	**Effective**
14.3. Use of WALGA contracts and e-quote system	Preventative	**Effective**	**Effective**
14.4. Buy Local Policy	Preventative	**Effective**	**Effective**
14.5. RFQ/RFT processes	Preventative	**Adequate**	**Effective**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Moderate	Possible	**Moderate**	**Monitor**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
14.1	DCEO	Yes	Feb-2025	DCEO drafted policy "Guidelines and Procedure for Contractor Work Health and Safety" for EMT to review.
14.5	EMT	Yes	Jul-2024	The Management team utilise vendor panel for procurement. Tender processes in line with best practice. Tender register maintained ensuring compliance at audit time.

15. WHS

Risk Description
Non-compliance with the Workplace Health & Safety Act, associated regulations and standards.

Casual Factors	Potential Outcomes
• Lack of resources (physical and financial) • Ineffective safety management practices • Inadequate training and supervision • Lack of understanding of WHS requirements • Poor culture	• Health • Compliance • Reputation • Financial • Property

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Likely	**Extreme**

Key Controls	Type	ORIGINAL Control Operating Effectiveness	CURRENT Control Operating Effectiveness
15.1. Safety Policy	Preventative	**Inadequate**	**Effective**
15.2. Safety Rep	Preventative	**Effective**	**Effective**
15.3. Induction program	Preventative	**Adequate**	**Adequate**
15.4. Risk assessments / Safe work method statements	Preventative	**Inadequate**	**Adequate**
15.5. Member of LGIS RRC program	Preventative	**Effective**	**Effective**
15.6. LGIS 3 steps to safety assessment	Detective	**Adequate**	**Adequate**
15.7. Emergency management program (needs review)	Preventative	**Adequate**	**Adequate**
15.8. PPE	Preventative	**Effective**	**Effective**
		Overall Control Effectiveness	**Adequate**

Residual Risk	Consequence	Likelihood	Risk Rating	Risk Evaluation
	Major	Likely	**High**	**Urgent Attention**

Actions/ Treatments				
Control	Responsible Officer	Action Taken	Date Action Taken	Comment
15.1	CEO	Yes	20/06/2024	CEO details updated on Safety Policy. Updated Safety Policy available at Admin Office and Depot Crib Room.
15.4	Works/RRC	Yes		Regional Risk Coordinator has developed Verification of Competency (VOC) procedure for implementation. Regional Risk Coordinator has customised Construction Management Plans to Koorda. Regional Risk Coordinator met with Works Supervisor to ascertain which SWMS are required. WS advised many SWMS are in place, and development will be ongoing.
15.6	EMT	Yes		LGIS 3 steps to safety assessment has been scheduled for early 2025.