



ATTACHMENTS

Audit Committee Meeting

Tuesday, 20 September 2022

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Local Government Specialist Skills Development Program for Professionals

Local governments deliver an extraordinarily wide range of programs and services to their communities. This requires a team of experienced, qualified and committed professionals coming from an equally diverse range of disciplines.

Many of these professionals, whilst having excellent specialist skills, sometimes lack an understanding of the complexities of Western Australian Local Government or are seeking to broaden their technical expertise to include higher level leadership attributes.

Delivered over 3 days, this program presents 8 core subjects, containing learning outcomes that will assist senior officers and executives in understanding the nuances of working with a Council, a community and within a somewhat complex statutory framework.

John Woodhouse and Andrew Hammond will deliver a series of interactive sessions across a range of topics all relevant to executive skills development in local government.

The key learning outcome of the program will be for attendees to have developed a broad understanding of the subject matter and the necessary skills to apply their learnings, or when to seek further advice, when managing and leading local governments both now and throughout their careers.

John and Andrew's background and professional experience can be found at <https://www.hwadvisory.com/about-us>



Local Government Specialist Skills Development Program for Professionals

MODULE 1

LOCAL GOVERNMENT - STATUS, CONSTITUTION, LEGISLATION, CORE FUNCTIONS, CHECKS AND BALANCES, TOWN PLANNING, STATE ADMINISTRATIVE TRIBUNAL

Module 1A – Local government - status, constitution, legislation, core functions, checks and balances, the Council, the CEO

- Basic facts about government in Australia and the 3 tiers of government.
- Where local government sits and its “constituting” legislation.
- What are the major responsibilities of each tier?
- What is the playing field and who are the watchdogs?
- What are the external checks and balance?
- The different hats worn by a local government.
- The role of the council and the elected members.
- The role of the CEO and an alternative view.

Module 1B – Town Planning and the State Administrative Tribunal

Town Planning

- Planning control.
- Planning decision making.
- Key planning tools.
- State Government Planning Policy.
- When approval is needed for subdivision and for development.

State Administrative Tribunal

- Its role, membership, and procedures.
- Local government matters dealt with.
- Mediation.
- Hearings.

MODULE 2

POLICY AND STRATEGY DEVELOPMENT AND ENGAGING WITH COUNCIL AND ELECTED MEMBERS

Module 2A – Policy and Strategy Development

- Application of the Local Government Act and the Administration Regulations.
- The Integrated Strategic Planning and Reporting Framework.
- Policy development, application, and review.
- Strategy development and execution.
- Measuring the performance of your planning system.

Module 2B – Engaging with Council and Elected Members

- Application of the Local Government Act, the Administration Regulations and the Model Code of Conduct Regulations.
- Agenda preparation and report writing.
- Communication protocols and conventions and councillor interaction.
- Council meetings– convening, recording, public involvement, implementing council decisions.
- Committees- formation, composition, terms of reference.



MODULE 3

CONTRACTS, PROCUREMENT, TENDERS, and the DISPOSAL OF LOCAL GOVERNMENT PROPERTY

Module 3A - Contracts, Procurement and Tenders

- The application of contract law.
- Challenges by unsuccessful tenderers.
- The structure/format of the RFT.
- The role of the information to tenderers document and potential pitfalls.
- The tenderer's deliverables.
- The evaluation criteria.

Module 3B - Disposal of local government property

- Who can exercise the power of disposal and acquisition?
- Limits on delegation to the CEO.
- The authorised methods of disposal.
- Evaluation requirements.
- Exemptions.
- Meaning of "property".

MODULE 4

HUMAN RESOURCE MANAGEMENT AND ORGANISATIONAL DEVELOPMENT

Module 4A – Human Resource Management

- Application of the Local Government Act and the Administration Regulations.
- Recruitment – Position design, selection process, statutory obligations.
- Performance reviews – Process, design, organisational hierarchy, outcomes.
- Managing poor performance.
- Workplace health and safety and obligations.

Module 4B – Organisational Development

- Application of the Local Government Act and the Administration Regulations.
- Organisational culture – desirable and undesirable workplace behaviours.
- Training and development – maximising your personal and professional potential.
- High performing teams – benefits, definitions and case studies
- Leadership and Management – Understanding the difference and exploring different leadership styles

Moore Internal Audit Risk Management Report 22 July2022
 High (Red) Risk Ratings + related Medium (White) Risk Ratings

	Agreed Actions	Action Owner	Target Date	ACTION
16. Develop, approve and review on a timely basis a Risk Management Policy which reflects better practice principles and ensure the policy is implemented.	This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Risk Management Policy to be done	CEO	November 2022	RFQ process
Recommendations	Agreed Actions	Action Owner	Target Date	
17. Develop, a Strategic Risk Management Plan and review this at least every 2 years or when material risks are identified.	This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Strategic Risk Management Plan to be done	CEO	November 2022	To be incorporated into the above RFQ process
Recommendations	Agreed Actions	Action Owner	Target Date	
18. Develop and approve a Risk Management Procedure which are effective for staff to perform risk management responsibilities	This recommendation is agreed to be implemented. The Shire will develop a risk management procedure when requesting RFQ for Policy and Risk Management Plan	CEO	November 2022	To be incorporated into the above RFQ process
	Agreed Actions	Action Owner	Target Date	
19. Review the current Strategic Risk Register and consider: <ul style="list-style-type: none"> regularly consider the identification of risks during the year. 	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec

<ul style="list-style-type: none"> where Business Unit Risk Registers can be used as an effective risk management tool. 	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
<ul style="list-style-type: none"> more regular reviews of risks, more than annually 	Will be included as part of the implementation of Pulse Risk. Will be reporting to audit committee quarterly	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
<ul style="list-style-type: none"> regular assessment of the shared risks and the impact on the Shire. 	Will be included as part of the implementation of Pulse Risk. Monthly reports to the executive management team	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
<ul style="list-style-type: none"> the controls which are implemented effectively to arrive at the controls rating. consider Risk Appetite and Tolerable Risk 	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
Recommendations	Agreed Actions	Action Owner	Target Date	
20. Develop, approve, monitor and report on a Risk Appetite, Risk Tolerance within the Shire and then consider these in relation to the Residual Risk rating and whether the Shire are within	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec

the Risk Appetite and Risk Tolerance.				
Recommendations	Agreed Actions	Action Owner	Target Date	
21. Develop, maintain, review and report a Risk Management Framework in accordance with the relevant legislation, standards and better practice principals.	This recommendation is agreed to be implemented. The framework will be developed as part of an RFQ.	CEO	November 2022	RFQ process
Recommendations	Agreed Actions	Action Owner	Target Date	
22. Develop an approved process for risk assessment to be performed for special projects and activities that want to be undertaken within the Shire	This recommendation will be considered as part of the implementation of Pulse Risk	CEO	February 2023	First Pulse meeting Wed 07 September 2022 Attendees Danielle, Rhys & Bec
Recommendations	Agreed Actions	Action Owner	Target Date	
23. Consider the use of an Assurance Map to provide comfort to Management as to where the assurance is bring provided against each Strategic Risk cost of control and compliance requirement. Identify which Strategic Risk have no assurance provided and use this to inform the Strategic Internal audit Plan. It is important that assurance is provided and documented in relation to the four lines of defence. These are the assurance gained from Management (ie that designed controls are being	This recommendation is agreed to be considered as part of the RFQ for a risk management framework	CEO	November 2022	To be incorporated into the above RFQ process

<p>implemented on a day-to-day basis). The assurance gained from the Risk Management and compliance functions; and the Internal Audit function or other External Audit/Assurance provider or Specialist.</p>				
Recommendations	Agreed Actions	Action Owner	Target Date	
<p>24. Develop, implement, monitor and report a Business Continuity, Emergency Management, Incident Response, Disaster Recovery Policy Procedures and Plans with supporting documents such as Business Impact Analysis within the Shire and the extent of compliance with the Standard and whether there are improvement opportunities.</p>	<p>An RFQ will be requested by the Shire to achieve this recommendation</p>	<p>CEO</p>	<p>March 2023</p>	<p>Waiting on Nic Tynan's proposal</p>
Recommendations	Agreed Actions	Action Owner	Target Date	
<p>25. Develop and approve a comprehensive, OSH Policy, PID Policy, PID Procedure, OSH Policy, Information Management Policy, Cybersecurity Policy and Procedure, ESG Policy which aligns to</p>	<p>Policies will be developed in line with this recommendation</p>	<p>Deputy CEO</p>	<p>April 2023</p>	<p>To be incorporated into the above RFQ process</p>

Better Practice Principles and Standards.				
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OAG Report

Information Systems Audit Report 2022 – Local Government Entities

June 2022

Background

INFORMATION SYSTEM AUDIT REPORT 2022 – LOCAL GOVERNMENT ENTITIES

“This report has been prepared for submission to Parliament under the provisions of section 24 of the Auditor General Act 2006. Information systems audits focus on the computer environments of entities to determine if these effectively support the confidentiality, integrity and availability of information they hold.

This is the third local government annual information systems audit report by my Office.

The report summarises the results of our 2021 annual cycle of information systems audits across a selection of 45 local government entities.”

Issue	OAG Comment	SoC status/compliance
<p>Information security</p>	<p>Cyber intrusions are becoming more sophisticated and frequent. Transitioning to digital services to achieve efficiencies increases the risk profile of many entities. Protection of sensitive and critical information that entities hold within their financial and operational systems should be managed with the highest priority using better practice information security controls to mitigate risks.</p> <p>Our GCC audits and capability maturity assessments assess against better practice controls for information and cyber security.</p> <p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> • Inadequate information and cyber security policies – policies did not sufficiently cover key areas of information and cyber security or were out of date. • Multifactor authentication not used – a number of systems did not have multifactor authentication to strengthen access. 	<p>Information Security Policy and Mandatory Data Breach Policy are in draft, will need to be adopted by council.</p> <p>Multi Factor Authentication is deployed on Office 365 with remaining systems and applications to be integrated with new identity management platform. This is in progress</p> <p>Vulnerability managed is controlled by RMM application and reported on monthly.</p> <p>Network segmentation is done using Vlans with each site also on a separate subnet. Servers, workstations and IP Phones are all on separate network segments.</p> <p>Network policy applied to isolate non domain joined machines with NPS.</p>

	<ul style="list-style-type: none"> • Administrator privileges not managed well – administrators did not have separate unprivileged accounts for normal day to day tasks. Limiting privileges and separating administrative accounts are important mitigations against network and system compromise. • Vulnerability management is not effective – entities did not have appropriate processes to identify and address vulnerabilities, which increases the risk of compromise. • Network segregation not appropriate – networks were not segregated to limit and contain the impact of a compromise. Partitioning the network into smaller zones and limiting the communication between these zones is an important control. • Unauthorised device connectivity – there are a lack of controls to detect or prevent unauthorised devices from connecting to entity internal networks. These devices can serve as an attack point and spread malware or listen in on network traffic. • Emails not protected – entities did not have controls to ensure the integrity and authenticity of emails to reduce the likelihood of successful phishing attacks. Controls such as domain-based message authentication reporting and conformance (DMARC), sender policy framework (SPF) and domain keys identified mail (DKIM) were not implemented to prevent email impersonation. • Lack of data loss prevention controls – no processes to detect or block unauthorised transfers of sensitive data outside of the entities. 	<p>SPF and DMARC are implemented, DKIM to be applied.</p> <p>Data Loss Prevention applied on Office 365 tenancy.</p> <p>Managed EDR solution deployed on all endpoints with 24/7/365 SOC monitoring.</p>
<p>Recommendations</p>	<p>a. Senior executives should implement appropriate policies and procedures to ensure the security of information systems and support their entity business objectives.</p>	<p>See above</p>
	<p>b. Management should ensure good security policies and practices are implemented and continuously monitored for control areas identified in Figure 5, including:</p> <p>i) patching and vulnerability management</p>	<p>See above</p>

	<ul style="list-style-type: none"> ii) application hardening and control iii) implement technical controls to prevent impersonation and detect/prevent phishing emails iv) strong passphrases/passwords and multi-factor authentication v) limit and control administrator privileges vi) segregate network and prevent unauthorised devices vii) secure cloud infrastructure, databases, email and storage, and know clearly 'who' they are handing entity and citizen data to through their use of cloud services viii) cyber security monitoring, intrusion detection and protection from malware. 	
Business continuity	<p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> • Lack of business continuity and disaster recovery plans – entities did not have appropriate business continuity and disaster recovery plans, or they were out-of-date. • Disaster recovery plans not tested – without appropriate testing of disaster recovery plans, entities cannot be certain the plan will work when needed. 	<p>A disaster Recovery plan is in place and tested annually.</p> <p>A Business Continuity Plan will be created and implemented by end of 2022.</p>
Recommendations	<p>Entities should have appropriate business continuity, disaster recovery and incident response plans to protect critical systems from disruptive events. These plans should be periodically tested.</p>	<p>As above</p>
Management of IT risks	<p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> • Out-of-date policies and processes to identify, assess and treat IT risks – without appropriate policies and processes entities cannot effectively manage their IT risks. • Inadequate risk registers – risk registers did not record controls and treatment action plans and risk ratings were not appropriately assessed. 	<p>IT Risk Register is implemented, however a new system is being implemented. Will be completed by end of November 2022.</p>
Recommendations	<p>Entities should:</p> <ul style="list-style-type: none"> a. understand their information assets and apply controls based on their value 	

	<p>b. ensure IT risks are identified, assessed and treated within appropriate timeframes. Senior executives should have oversight of information and cyber security risks.</p>	
<p>IT operations</p>	<p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> Processes are not defined – a lack of or out of date procedures to support day to day operations, such as incident and problem management. Inadequate monitoring of events – entities did not have policies and procedures to monitor event logs. System logs provide an opportunity to detect suspicious or malicious behaviour in key business applications. Supplier performance not monitored – supplier performance was not reviewed to identify and manage instances of non-compliance with agreed service levels. Background checks for new starters were not performed – staff in privileged IT positions did not go through background checks (e.g. police clearance). Access was not reviewed – regular checks were not done to validate users had the level of access to systems applicable to their role or function, and revoke user access upon termination. 	<p>Procedures are in place to support key functions. Continual improvement is required in this area.</p> <p>A SIEM solution is in place and monitoring events.</p> <p>Supplier Performance is reported on Monthly. Quarterly Business reviews are also conducted onsite.</p> <p>Access is not currently reviewed, however a identity management platform is currently being implemented allowing access review.</p>
<p>Recommendations</p>	<p>Entities should implement policies and procedures to guide key areas of IT operations such as incident management and supplier performance monitoring.</p>	<p>As above</p>
<p>Change control</p>	<p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> Change processes not followed – changes to critical systems did not follow change procedures. If formal procedures are not followed, there is a risk changes may be applied inconsistently 	<p>Current IT Provider has a change management system implemented along with a ticketing system that captures adds, Moves and Changes.</p>

	<p>resulting in unplanned system downtime and interruption to critical services.</p> <ul style="list-style-type: none"> • Change management processes not documented – without documented processes, changes made to IT infrastructure can adversely affect entities’ operations leading to unplanned or excessive system downtime. • Changes were not assessed prior to implementation – allowing significant changes without appropriate scrutiny or approval increases the risk of system outages. 	
Recommendations	<p>Approved change control processes should be consistently applied when making changes to IT systems. All changes should go through planning and impact assessment to minimise the occurrence of problems. Change control documentation should be current and approved changes formally tracked</p>	As above
Physical security	<p>Common weaknesses we found included:</p> <ul style="list-style-type: none"> • Combustible and non-essential items were stored in server rooms – the risk of outages is higher if server rooms are not appropriately maintained. • Unnecessary access to server rooms – staff and contractors were assigned access to server rooms that they did not require and visitor access to server rooms was not logged. Lack of controlled access increases the risk of system outages and compromise from unauthorised access. • Fire suppression systems were not installed – without appropriate fire suppression systems, IT infrastructure is likely to be damaged in the event of a fire. 	<p>Servers are hosted in a Tier 3 Data Centre with full security, fire suppression and redundancy with N+1.</p> <p>No Fire suppression for onsite networking equipment.</p>
Recommendations	<p>Entities should develop and implement physical and environmental control mechanisms to prevent unauthorised access, or accidental or environmental damage to IT infrastructure and systems</p>	As above



Draft Review of Financial
Management, Risk Management,
Legislative Compliance and Internal
Controls

Shire of Coolgardie

September 2022



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1.0 Engagement Overview

1.1 Scope of Services

The Shire of Coolgardie (Shire) engaged Moore Australia to undertake a review service with a dual purpose, firstly to provide the basis for a report by the CEO to the Audit Committee on the appropriateness and effectiveness of the Shire's risk management, internal controls and legislative compliance systems and procedures as required by the *Local Government (Audit) Regulations 1996* Regulation 17. Secondly, a review of financial management systems to assess the appropriateness and effectiveness of these systems and procedures, as required by *Local Government (Financial Management) Regulations 1996* Regulation 5(2)(c).

For efficiency, the reviews were undertaken simultaneously, and the results contained in this single report. Financial management systems and procedures are considered a subset of broader overall risk management, legislative compliance and internal controls. The matters examined in respect of financial management systems are detailed in Appendix A and where opportunities for improvement were identified, they are reported within the relevant section of the risk management, legislative compliance and internal controls framework design, implementation and evaluation sections of this report.

The results of the risk management, legislative compliance and internal controls review are to be reported by the CEO to the Audit Committee. The Audit Committee is required to review the CEO's report and on-report to the Council. The report from the Audit Committee to the Council is required to have attached a copy of the CEO's initial report to the Audit Committee.

1.1.1 Procedures – Financial Management Review

Our procedures for the Financial Management Review encompassed a review of the Shire's financial systems including, but not necessarily limited to:

- Collection of money owed;
- Custody and security of money and investments held;
- Rates;
- Maintenance and security of financial records;
- Accounting and controls for revenue and expenses;
- Accounting and controls for assets and liabilities;
- Accounting and controls for trust transactions;
- Authorisation of purchases;
- Authorisation of payments;
- Borrowings;
- Maintenance and processing of payroll;
- Stock controls and costing records;
- Record keeping for financial records;
- Preparation of budgets and budget reviews; and
- Preparation of financial reports.

Our procedures and approach have been developed over a number of years taking into account our extensive local government background and seeks to examine both financial systems and procedures in use.

The financial management review does not examine systems and procedures which are non-financial in nature and did not specifically test for legislative breaches.

1.0 Engagement Overview

1.1.2 Procedures – Risk Management, Legislative Compliance and Internal Controls Review

Our procedures for the systems and procedures review, as required by regulation 17 of the *Local Government (Audit) Regulations 1996*, on behalf of the CEO encompassed the following services:

- A review of the risk management systems policies, procedures and plans in place at the Shire;
- Evaluate the non-financial/operational internal control systems and procedures at the Shire;
- Assess systems and procedures for maintaining legislative compliance; and
- Prepare a report of matters identified during the review to assist the CEO assess the appropriateness and effectiveness of the relevant systems and procedures in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.

To undertake these procedures, we applied the following methodology:

- Conduct interviews with key personnel involved in risk management, financial management and the Shire's adherence to legislative requirements;
- Identify the extent of commitment and mandate to risk management principles, using AS/NZS ISO 31000:2018 as the framework, within the overall risk management framework;
- Review each component of risk management, legislative compliance and internal controls after considering the overall risk environment, governance structure and internal control environment;
- Assess the gaps, if any, between the current processes and the expected risk management, internal controls and legislative compliance systems and procedures and recommend suggested improvements; and
- Report on the appropriateness and the effectiveness of current systems and procedures.

The review was a high-level review given the scale, variety and breadth of non-financial activities and considered, as a minimum, the issues identified by the Department of Local Government, Sport and Cultural Industries to Local Government Operational Guideline Number 09 – Audit in Local Government (listed in Appendix E).

2.0 Review Context

2.1 Review Context - Shire of Coolgardie

Understanding the external and internal context in which the Shire operates, relevant to financial management, risk, the internal control environment and its legislative compliance obligations, as it seeks to achieve its overall strategic objectives is important to the review of the related systems and procedures.

The external and internal environmental influences identified during the review are set out below:

External Influences	Internal Influences
Increasing community expectations in relation to service levels and delivery.	The objectives and strategies contained in the current Strategic Community Plan.
Rapid changes in information technology, changing the service delivery environment.	The timing and actions contained in the current Corporate Business Plan.
Increased compliance requirements due to government policy and legislation.	Organisational size, structure, activities and location.
Cost shifting by the Federal and State governments.	Human resourcing levels and staff retention.
Climate change and subsequent response.	The financial capacity of the Shire.
Reducing external funding for infrastructure and operations.	Maintenance of corporate records.
Increasing risk of cyber attack resulting in compromised or lost data.	Allocation of resources to achieve strategic outcomes.
Changing regulatory requirements.	COVID 19 and impact on the internal environment.
COVID 19 and impact on the external environment.	
Global economic instability.	

3.0 Review Summary

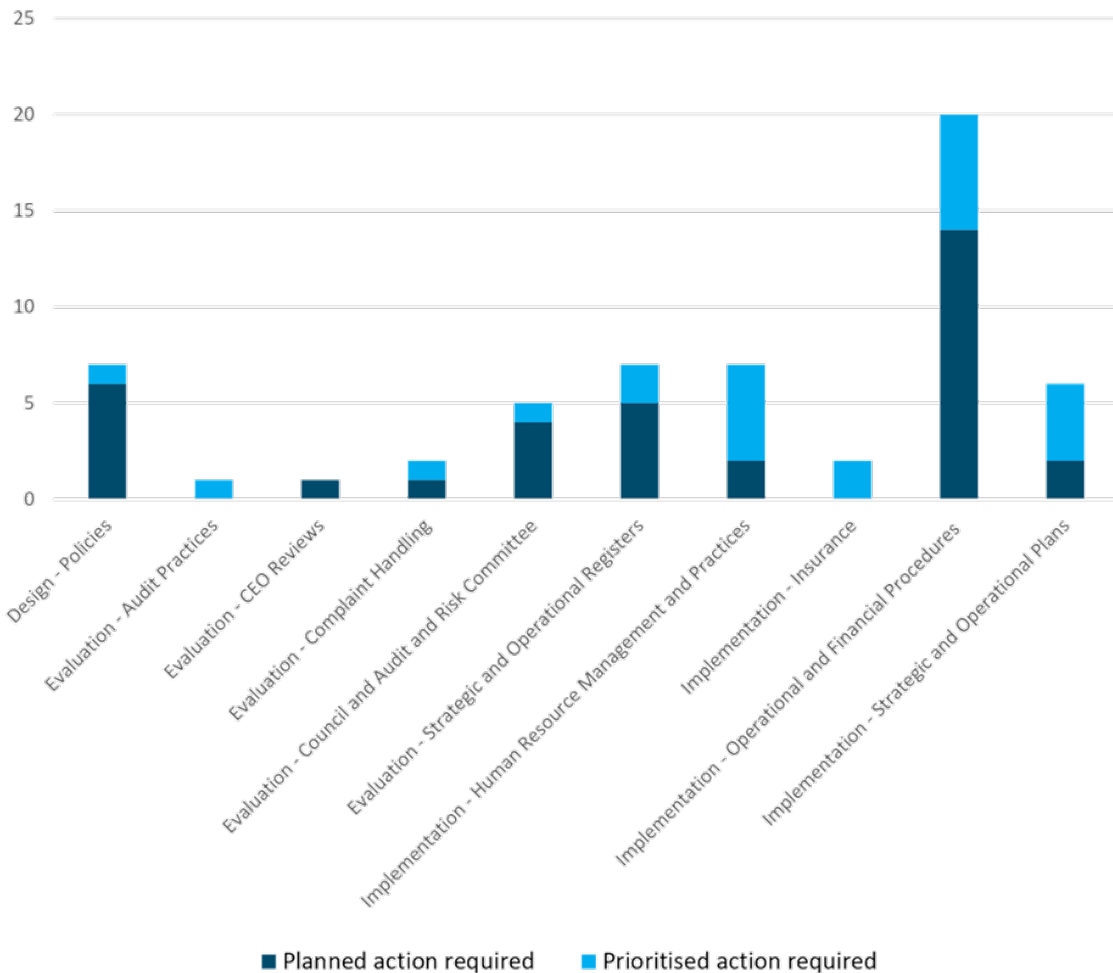
3.1 Overall

Operations of a regional local government are complex and involve a number of people making decisions across a large number of areas of operations. The Shire of Coolgardie is highly reliant on a small team of senior decision makers to govern its operations whilst trying to ensure sound financial and risk management through internal controls and aiming to achieve a high level of compliance.

This review was undertaken by first determining an appropriate framework for the Shire against which current policies, procedures and actions could be assessed this is described further in Section 5.0. A number of areas for improvement were identified during the review. As the Shire has limited resources the areas identified for improvement have been split between those requiring prioritised action and those requiring planned action as it will require resources and time to address a number of the matters raised.

The chart below reflects the number of improvements identified within each area of the framework examined.

No of improvements identified by framework element



Details of each improvement identified under each framework element are provided in Sections 6.0 through 8.0 of this report. Key improvements are provided under each of the review areas, financial management, risk management, internal control and legislative compliance on the following pages.

A summary of improvements listed by prioritised and planned action is provided at Appendix F.

3.0 Review Summary

3.2 Financial Management

The Shire has a number of financial management system controls to cover the wide variety of operations undertaken. Council has responsibility for the adoption of the annual budget and annual report, review of the monthly statement of financial activity and review of the monthly list of payments. Responsibility for the financial management of the Shire rests with the CEO, as detailed under *Financial Management Regulation 5(1)*.

3.2.1 Appropriateness

Considering the size, resources, variety of operations and the context in which the Shire operates, documented internal control procedures relating to financial management systems, are considered largely appropriate as a means of maintaining a high level of control over the financial management of the Shire. Our assessment as to the appropriateness is subject to identified weaknesses being addressed, and provided internal control procedures are routinely and consistently applied.

Weaknesses were identified with current controls and procedures, these are explained within Section 6.0 Framework Design of this report.

3.2.2 Effectiveness

Considering the results of other elements of financial management systems and processes where documented and routinely tested, the current practices undertaken by the Shire of Coolgardie may be considered generally effective. Our assessment as to effectiveness is subject to the implementation of the improvements highlighted in Section 7.0 Framework Implementation of this report.

Whilst generally considered effective, weaknesses were identified where internal controls are not considered effective. These are explained within Section 7.0 Framework Implementation of this report.

3.2.3 Improvements

Details of recommended improvements to the current financial management, procedures and systems for the Shire are set out within the framework design and implementation sections of this report. Key operational areas where opportunities for improvements to the appropriateness and effectiveness of these procedures and internal controls were identified are:

- Bank reconciliations;
- General journal controls;
- Credit card controls;
- Register of financial interests;
- Change of banking details and creditor master file;
- Procurement controls; and
- Payroll controls.

3.0 Review Summary

3.3 Risk Management

The Shire initially developed its formal risk management processes with the adoption of an updated Risk Management Policy in November 2014 which was subsequently updated in recent years to align to the Risk Management Standard ISO 31000:2018. The policy document forms the basis for risk management activities within the Shire.

3.3.1 Appropriateness

Currently, a documented entity wide Risk Management Policy is in existence to guide the implementation of risk management throughout the Shire.

Considering the size, resources, operations and the context in which the Shire operates, a documented risk management policy and procedures aligned to ISO 31000:2018 is considered appropriate as a means of uniformly supporting decision making and documenting the organisation's response to risks.

3.3.2 Effectiveness

The current risk management policy reflects the Shire's commitment to organisation wide risk management principles, systems and processes aimed at optimising the achievement of objectives, embedding controls to mitigate risk, improving corporate governance and planning for continuity of critical operations. Further development and consistent application of risk management systems and processes are required to be implemented throughout the organisation in order for risk management processes and procedures to be considered effective.

3.3.3 Improvements

Improvements to risk management practices and policies are detailed within the framework design and implementation sections of this report, with key matters summarised as follows:

- Align risk management activities and practices throughout the organisation and apply these consistently in accordance with the Shire's policy;
- Review contractor insurance to ensure contractors have appropriate insurance;
- Develop and maintain an ICT strategic plan;
- Undertake a comprehensive ICT security review;
- Develop and apply risk management activities to existing practices in accordance with adopted risk management policy and framework; and
- Ensure appropriate management of operational risks for high risk areas.

3.0 Review Summary

3.4 Internal Control

A formal internal control policy is yet to be developed and adopted by the Shire. A policy to guide the Shire may assist to ensure an iterative risk based approach to evaluating the internal controls, systems and procedures, as well as providing a mechanism whereby regular review and updates occur.

3.4.1 Appropriateness

Considering the size, resources, operations and the internal/external context in which the Shire operates, the internal control framework, procedures and systems as described to us are considered appropriate for most areas of operations, subject to the identified improvements being in place. A number of internal controls were identified where these controls are not considered appropriate, as described with section 7.0 Framework Implementation of this report.

3.4.2 Effectiveness

Considering the overall results of monitoring and compliance practices undertaken by the Shire of Coolgardie, the current internal control framework, procedures and systems (where documented and routinely tested) may be considered effective. Our assessment as to effectiveness is subject to the implementation of the improvements detailed at Section 7.0 Framework Implementation of this report.

3.4.3 Improvements

The knowledge and experience of senior staff has contributed to a number of preventative controls being implemented throughout the Shire. Further enhancement to these controls may be considered through the implementation of detective controls, as noted within Section 7.0 of this report.

Recommended improvements to the current internal control framework, procedures and systems are detailed later within the framework design and implementation sections of this report with selected key improvements to internal controls summarised as follows:

- Development of a documented internal controls policy, promoting a risk-based approach to the further development and maintenance of documented internal controls and procedures should provide an appropriate internal control framework. Continual risk based assessment of appropriate controls throughout the organisation will assist to identify the need for new controls and identify existing outdated and unnecessary controls to be discontinued;
- Development and maintenance of a Business Continuity Plan;
- Key internal controls should be documented either as procedures, checklists or workflow diagrams;
- Define procedures to manage changes to internal controls;
- Develop and maintain a number of registers to improve existing internal controls as discussed at Section 8.2 of this report;
- Undertake appropriate training at induction and at regular intervals to ensure staff are fully aware of, and understand, relevant internal controls; and
- Implement financial management control recommendations discussed at Section 3.1 of this report.

3.0 Review Summary

3.5 Legislative Compliance

Currently, no legislative compliance policy exists to communicate expectations of Council in relation to legislative breaches and regulatory compliance. Reliance in this regard is dependent upon the knowledge and experience of senior staff and their individual desire to achieve high levels of legislative and regulatory compliance.

3.5.1 Appropriateness

Considering local governments generally maintain a low risk appetite for breaches of legislation, a documented legislative compliance policy would be considered appropriate and good governance. Reliance on experienced senior staff for legislative compliance while considered appropriate, carries high risk where the number of experienced senior staff is low.

3.5.2 Effectiveness

Maintaining legislative compliance is heavily reliant on the knowledge, experience and commitment of senior staff, to identify and prevent breaches of legislation. As a consequence, staff turnover, competing priorities and variations in workloads may have a significant negative impact on legislative compliance. Therefore, one of the most effective controls in maintaining legislative compliance is a motivated, stable, experienced and knowledgeable senior management group.

Instances of non-compliance with legislative requirements were identified during our review. Apart from the identified breaches of legislation, and in the instances where the effectiveness was able to be assessed, the current legislative compliance framework is considered effective.

3.5.3 Improvements

Improvements to the current legislative compliance framework, are set out later within this report and summarised as follows:

- Development of a legislative compliance policy dealing with legislative compliance;
- Maintain statutory registers as required by legislation;
- Ensure proceedings and information presented at Council and Committee meetings comply with legislative requirements;
- Ensure all items required by legislation to be on the website are maintained on the website with procedures to document when they are uploaded or modified.
- Further development and approval of authorised checklists for functions which require a high level of legislative compliance; and
- Develop and maintain a staff training matrix and coordinate training across the Shire. A risk based training matrix should help ensure staff with the responsibility for preventing, identifying and reporting breaches of legislation, are offered relevant training to ensure their knowledge of legislative requirements is maintained and qualifications are maintained and up to date where required.

4.0 Methodology

4.1 Review Methodology – Financial Management Review

The objective of this review is to assist the CEO of the Shire of Coolgardie to discharge responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996 (as amended)*.

In carrying out our review, we examined documented policies / procedures, undertook walkthroughs of key systems and procedures and performed limited detailed testing procedures to identify weaknesses in the financial management system and report to the CEO on the appropriateness and effectiveness of the control environment within the Shire, as required by regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

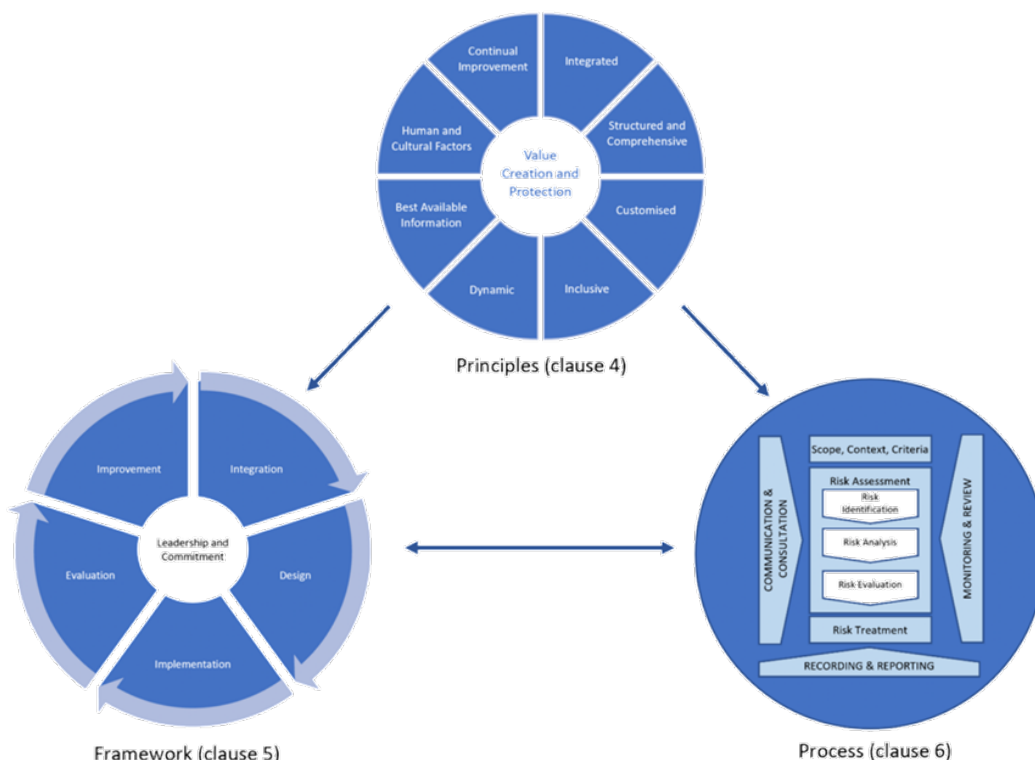
4.2 Review Methodology – Risk Management, Legislative Compliance and Internal Controls

The primary goal of this review is to assist the CEO to establish the appropriateness and effectiveness of the Shire systems and procedures in relation to risk management, legislative compliance and internal controls.

Internal controls are designed to treat risks and form part of the risk management process. Non-compliance with legislation is one of the risks that would usually be identified as a consequence of applying a risk management process.

The Australian Standard for Risk Management, ISO 31000:2018(E), identifies three components in the application of risk management, being *Principles*, *Framework* and *Process*, as set out in Diagram 1 below.

Diagram 1. Risk Management Principles, Framework and Process



Source: Australia/New Zealand Standard ISO 31000:2018

4.0 Methodology

4.2 Review Methodology – Risk Management, Legislative Compliance and Internal Controls (continued)

In undertaking our review, we have applied the three ISO 31000:2018 framework components, as set out on the previous page, to the review topics (risk management, internal controls and legislative compliance). This involves a process incorporating the five risk management framework components, *Integration, Design, Implementation, Evaluation and Improvement*, into the review of systems and processes:

- Identify the extent of leadership and commitment to the principles;
- Assess the extent of integration of risk management within the Shire;
- Assess the design of the current framework through an understanding of the Shire and the context within which it operates (risk management, legislative compliance and internal controls) after considering the overall context in which the review occurs;
- Assess the implementation of the current framework;
- Assess the extent of evaluation of the current framework and its effectiveness in supporting the Shire's objectives;
- Assess the current framework and improvements to the suitability, adequacy and effectiveness of the framework;
- Review the current process for the Shire's systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing context, assessing, treating, monitoring, reviewing, recording and reporting risk, internal controls and legislative compliance; and
- Report on the appropriateness and effectiveness of current systems and procedures.

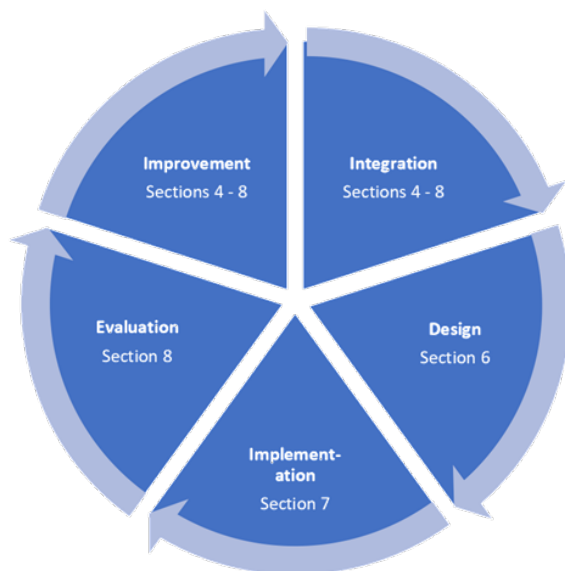
This evaluation is based on interviews with key staff, review of requested documentation listed in the Appendices and reference to any external audit reports or reviews previously conducted.

5.0 Appropriate Framework

5.1 Risk Management, Internal Control and Legislative Compliance

The following framework was identified as being appropriate for risk management, internal control and legislative compliance for the Shire of Coolgardie, after consideration of the current internal and external influences, detailed in Section 2.1.

Diagram 2. Risk Management, Internal Control and Legislative Compliance Framework



Source: Australia/New Zealand Standard ISO 31000:2018

A high-level review of risk management systems, internal controls and legislative compliance was undertaken which precluded detailed testing in all areas.

The results of our review, as detailed on the following pages, are set out with reference to the structure of the above framework. We assessed the following areas:

Design	Implementation	Evaluation
6.1 Strategic Plans	7.1 Strategic and Operational Plans	8.1 Council and Audit and Risk Committee
6.2 Council Policies	7.2 Operational and Financial Procedures	8.2 Strategic and Operational Registers
	7.3 Human Resource Management and Practices	8.3 Annual Compliance Audit Returns
	7.4 Insurance	8.4 Complaint Handling
		8.5 Audit Practices
		8.6 Reviews required by the CEO

Integration along with Leadership and Commitment were assessed within each of the elements of the framework.

6.0 Framework Design

6.1 Strategic Plans

The Shire has adopted two key strategic documents, the Strategic Community Plan 2018-2028 and the Corporate Business Plan 2020-2024. These plans identify the Council's organisational objectives and key outcomes, as the Shire progress on its stated vision "*A connected, progressive & welcoming community*".

The Strategic Community Plan recognises the community's aspirations and values through the following key focus areas:

1. **Accountable and Effective Leaders;**
2. **An inclusive, safe and vibrant community;**
3. **A thriving local economy;** and
4. **Effective management of infrastructure, heritage and environment.**

In seeking to achieve its objectives, the Shire of Coolgardie faces both inherent and business risks. Whilst striving to fulfil expectations, it is also expected to meet compliance with numerous legislative requirements. To manage these risks, the Shire has established various processes, systems and controls.

The Corporate Business Plan references strategic challenges which might affect the Shire, and the community's aspirations / vision, and the projects and programs which will be implemented through the plan.

This review examines the appropriateness and effectiveness of the organisation's risk management systems, internal controls and legislative compliance in the context of the Shire striving to achieve its stated objectives.

6.0 Framework Design

6.2 Council Policies

Whilst the operations of the Shire are the responsibility of the CEO, the Council is responsible for setting the framework for operations via adopted Council policies. These policies represent an overarching framework relevant to risk management, internal controls, legislative compliance and financial management and have been reviewed for appropriateness and effectiveness.

In general, Council policies are well formulated and provide clear guidance regarding Council's position on certain matters. A list of policies reviewed is provided in Appendix B - Council Policies Examined. The table below details matters identified and associated suggested improvements.

	Policy	Purpose / Goal	Matters Identified / Improvements
6.2.1	Policy 1.02 Audit Committee – Terms of Reference	Policy to describe the functions and membership of the Audit Committee.	<p>The policy states one of the responsibilities of the audit committee is for the process of selecting and appointing an Auditor. Current legislation requires the Office of the Auditor General to be appointed as the Shire's auditor.</p> <hr/> <p>Review of the draft annual financial report, as well recommending the adoption of the financial report to Council, is included as a responsibility of the audit committee within the policy. We did not observe this process occurring through our inspection of the minutes and onsite testing.</p> <hr/> <p>Improvements:</p> <p>Review the policy to amend the audit committee responsibility to be for the process of selecting and appointing an internal auditor.</p> <hr/> <p>Update systems and procedures to comply with the policy, or alternatively update and amend the policy with appropriate controls and ensure these are applied and maintained.</p>

6.0 Framework Design

	Policy	Purpose / Goal	Matters Identified / Improvements
6.2.2	Policy 1.04 Investment of Surplus Funds	To adopt a prudent approach to investments, in full compliance with all statutory requirements.	<p>The policy requires a monthly report be presented to Council to detail the investment portfolio in terms of performance, percentage exposure of total portfolio and maturity date. We did not note a report to support the Monthly Statement of Financial Activity, as required by the policy, being presented to Council each month.</p> <p>The investment register required by the policy (and required to support control procedures required by regulation 19 of the <i>Local Government (Financial Management) Regulations 1996</i> was not available for our review.</p> <p>Evidence to support an annual investment report being prepared for Council consideration, reviewing the performance of investments as required by the policy, was not available for our review.</p> <p>Improvements:</p> <p>Provide a monthly report to Council as required by the policy.</p> <p>Establish and maintain an investment register as required by the policy and to support required regulatory control procedures.</p> <p>Prepare an annual report for Council consideration on investments as required by the policy.</p>
6.2.3	Policy 1.05 Procurement	<p>Policy providing a best practice approach and procedures for purchasing. Ensure consistency for all purchasing activities that integrates with all operational areas.</p> <p>Requires compliance with the <i>Local Government Act 1995</i> and <i>Local Government (Functions and General Regulations) 1996</i>.</p>	<p>The policy provides limited direction regarding contract variations and extensions awarded or against a written specification not awarded by tender. Extension of contracts and associated price changes are also not covered by the policy. For contracts awarded by tender, legislation provides minimum requirements.</p> <p>Improvement:</p> <p>Amend the policy to provide purchasing requirements for the issuing of contract variations and extensions for contracts not awarded by public tender. Consideration should be given to circumstances where the contract value increases over a policy threshold level, due to the variation or extension.</p>
6.2.4	Policy 1.08 Complaints Management	Policy to provide an efficient, effective and consistent approach to the management of complaints.	<p>The policy requires an annual record of complaints, services data, trends etc to be reported to Council within two months of the end of financial year. We did not observe this report being prepared and considered as defined within the policy.</p> <p>Improvement:</p> <p>Review systems and processes to clearly set out requirements and responsibilities of staff to ensure complaints are appropriately recorded to assist with the preparation of reports and to comply with the policy requirements.</p>

6.0 Framework Design

	Policy	Purpose / Goal	Matters Identified / Improvements
6.2.5	Policy 1.09 CEO Performance Review	Policy to set out processes for review of the CEO's performance and to assist with compliance with legislation.	<p>Elected members seeking appointment to the relevant committee undertaking CEO performance reviews are required to undertake specific training within six months of their appointment to the committee. Evidence of this training having occurred as required by the policy is not evident from the Elected Member Training Report published on the official local government website.</p> <p>Improvement: Develop and maintain a training matrix to identify elected member training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required qualifications, professional develop and mandated training.</p>
6.2.6	Internal Control Policy	A policy to evidence Council's commitment to internal controls and their importance to the organisation.	<p>Currently, no policy on internal controls has been adopted by Council.</p> <p>Improvement: 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.</p>
6.2.7	Legislative Compliance Policy	A policy to evidence Council's commitment to legislative compliance and its importance to the organisation.	<p>Currently, no policy on internal legislative compliance has been adopted by Council.</p> <p>Improvement: Development and adoption of a legislative compliance policy may help formalise Council's commitment and approach to legislative compliance.</p>

7.0 Framework Implementation

7.1 Strategic and Operational Plans

The Council has several strategic and operational plans which form the basis of entity level controls and entity level risk assessments.

A list of plans reviewed is provided in Appendix C - Plans Examined. The table below details areas for possible improvement in relation to the plans examined.

	Plan	Purpose / Goal	Matters Identified / Improvements
7.1.1	Workforce Plan	Document to enable appropriate planning of the workforce to deliver the Corporate Business Plan, and consider workforce implications of the Strategic Community Plan.	<p>Evidence of review of the Workforce Plan 2013-2022 was not available for our review, and the plan is now out of date. Although there is no statutory obligation to adopt the plan, it is required by the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016) to be in place, and to inform the Corporate Business Plan and annual budget.</p> <p>Improvement: Review and update the Workforce Plan to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016).</p>
7.1.2	Asset Management Plan	Plan to guide the future management of assets.	<p>The Asset Management Plan 2020-2040 was prepared in June 2020. The plan does not meet the standards set within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016), as required asset data could not be identified to calculate financial ratios.</p> <p>Improvement: Review and update the Asset Management Plan to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016).</p>
7.1.3	Corporate Business Plan	A plan to guide the internal operations of the Shire in delivering services to the community.	<p>The plan includes a section titled 'risk management' which refers to a superseded risk management standard.</p> <p>The Corporate Business Plan has not been reviewed annually as required by <i>Local Government (Administration) Regulations 1996</i> 19DA (4). A draft plan is being prepared and is yet to be considered by Council.</p> <p>Improvements: Update references to risk management considerations within the plan, to ensure they are align and are consistent with the Shire's risk management policy and framework.</p> <p>Finalise and present the draft revised Corporate Business Plan for consideration by Council. To help ensure compliance and provide sound planning direction to the organisation, the Corporate Business Plan should be reviewed annually as required by legislation.</p>

7.0 Framework Implementation

	Plan	Purpose / Goal	Matters Identified / Improvements
7.1.4	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.	<p>A Disaster Recovery Plan was prepared in 2020 and most recently tested in 2022, 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.</p> <p>Improvement: Expand the current 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.</p>
7.1.5	ICT Strategic Plan	Plan to guide the future development and delivery of ICT services and address the handling of ICT disaster recovery.	<p>An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection.</p> <p>Improvement: Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level. Consider independent review of identified ICT risks.</p>
7.1.6	Code of Conduct for Employees, Volunteers and Contractors	To provide guidance to employees, volunteers and contractors of enforceable rules and requirements as prescribed in relevant legislation.	<p>The Code of Conduct for Employees, Volunteers and Contractors has not been published on the official local government website as required by legislation.</p> <p>Improvement: Publish the updated Code of Conduct on the official local government website as required by section 5.51A of the <i>Local Government Act 1995</i>.</p>

7.0 Framework Implementation

7.2 Operational and Financial Procedures

In seeking to achieve its stated vision, the Shire delivers a number of services to the community. Meetings were undertaken with key staff in each of the areas of service responsibility, as well as examination of documented processes, to determine the practices applied to issues of risk management, internal controls and legislative compliance. A summary of the reviews undertaken to evaluate the controls is included at Appendix C.

We observed a number of practices and procedures in place, however their application was not always consistent. Considering the number of services provided and current staff resourcing, a risk based approach to the prioritisation of the review and development of new procedures is recommended. The table below details areas of suggested improvement in relation to policies and procedures examined.

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.1	Risk Management Procedures	Procedures and practices to set out a uniform approach to the identification, assessment, management, reporting and monitoring of risks.	<p>Risk management activities currently undertaken are largely undocumented and are sometimes performed independently within individual departments. Some of these activities may not align with the Shire's Risk Management Policy and Framework, including periodic reporting to the Audit and Risk Committee.</p> <p>Improvement: Communicate throughout the Shire current risk management procedures and processes to assist with routine and consistent applications in accordance with Council 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.</p>
7.2.2	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.	<p>Procedures are not formalised for some key operational functions throughout the Shire. Workflow process diagrams, checklists and documented procedures may assist to create a visual representation of a process, clearly identifying key points of control and responsibility to be evidenced and independently reviewed.</p> <p>Improvement: 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.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.3	Procedures at Shire Facilities	Procedures to set out guidance for expected processes, systems and controls to be maintained at Shire facilities.	<p>Controls in relation to the use of some Shire facilities are considered inadequate. Documented procedures and controls are required to ensure appropriate controls and reconciliations are applied to minimise risks of misuse and breakdowns in key controls occurring.</p> <hr/> <p>Improvement: Update systems and controls to ensure staff at Shire facilities are aware of and understand the control environment required to be adhered to.</p>
7.2.4	Record Keeping Practices	To demonstrate compliance of record keeping systems and practices with legislative requirements.	<p>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.</p> <hr/> <p>Improvement: Review systems and processes to ensure currency of the Record Keeping Plan and implementation of any improvements noted within the plan, including self evaluated improvements, ongoing training and any actions noted by the State Records Office.</p>
7.2.5	Information Required to be Published on Local Government Website	Ensure information is published for public information as required by legislation.	<p>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:</p> <ul style="list-style-type: none"> • A map of the district showing district boundaries and ward boundaries; • Statement of objects and reasons for differential rates; • Name of each council member who lodged a primary return or annual return for the financial year beginning on or after 1 July 2020; • Position of each employee who lodged a primary or annual return for the financial year beginning on or after 1 July 2020; and • The type, amount or value of any fees, expenses or allowances paid to each elected member during the financial year beginning on or after 1 July 2020. <hr/> <p>Improvement: Ensure information is published on the Shire's official website as required by section 5.96A of the <i>Local Government Act 1995</i> and any other relevant legislation.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.6 Mid-Year Budget Review	To undertake a review of budget forecasts and estimated outcomes in accordance with regulatory requirements.	<p>The Shire's 2021-22 budget review was presented to Council for adoption on 22 February 2022, with a budget review date noted within the officer's report of 8 February 2022, and accounts being examined for the period ending 31 December 2021. A recent interpretation by DLGSC considers the budget review date to be the period end date of accounts being examined (in this instance, 31 December 2021). To comply with regulations whereby the budget review is considered within 30 days of the review date, the review would have been required to be considered by 30 January 2022. We also noted the 2020-21 mid year budget review was not considered within timeframes required by legislation.</p> <p>Improvement: Review systems and procedures to ensure future budget reviews are undertaken as required by regulation 33A of the <i>Local Government (Financial Management) Regulations 1996</i>.</p>
7.2.7 Annual Report	Ensure the annual report contains all information required by legislation, is accepted by Council and published to the local government website as required.	<p>The 2020-21 annual report adopted on 21 December 2021 but was not uploaded to the Shire's website until 7 January 2022. The report has omitted some information required by legislation, namely:</p> <ul style="list-style-type: none"> • Remuneration paid or provided to the CEO during the financial year; • Information on payment to employees entitled to an annual salary of \$130,000 or more is required to be reported by each band of \$10,000 over \$130,000; • Statement relating to the process to apply for information under the Freedom of Information Act 1992; and • National Competition Policy. <p>Improvement: Ensure process is in place for the annual report to be uploaded to the Shire's website within 14 days of adoption by Council, as required by section 5.55A of the <i>Local Government Act 1995</i> and future annual reports include all information required by legislation.</p>
7.2.8 Rates	Rates are correctly imposed and rate system is properly maintained.	<p>Evidence of routine reviews of rate exempt properties as defined by section 6.26(2)(g) of the <i>Local Government Act 1995</i> was not available for our inspection.</p> <p>Improvement: Develop and maintain systems and processes in accordance with Council policy, whereby routine reviews are undertaken of rate exempt properties within the Shire, confirming these properties are used exclusively for rate exempt purpose.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.9	Rate notices and information accompanying rate notices	<p>Compliance with statutory requirements when issuing rates notices.</p> <p>The 2021/22 rate notice and the 2021/22 information accompanying the rate notice did not contain a brief statement that rebates to pensioners and seniors under the <i>Rates and Charges (Rebates and Deferments) Act 1992</i> are funded by the Government of Western Australia.</p> <p>Improvement: Ensure all information required by the <i>Local Government Act 1995</i> and associated regulations to be contained within rates notices is included in annual rates notices or information accompanying the rates notice.</p>
7.2.10	Bank Reconciliations	<p>Processes for the control of the Shire's cash at bank.</p> <p>Reconciliations for the bank were not always conducted in a timely manner from samples selected for our review. Staff representations detail this was being due to the unavailability of key staff to perform the task. Bank reconciliations are a key control and any untimely, non-reconciled bank accounts are considered a high risk to an organisation.</p> <p>We noted at the time of our review, bank reconciliations had been prepared up until April 2022, which included several long outstanding transactions remaining uncleared since at least July 2021.</p> <p>Improvements: Review systems and processes to ensure staff capacity for the regular and timely completion and review of bank reconciliations.</p> <p>Review uncleared transactions to identify the resolution required to clear the long outstanding corrections. Appropriate review and authorisation controls of any remedial action to clear these items should be observed.</p>
7.2.11	Receipting Procedures	<p>Procedures to appropriately control funds received by receiving officers.</p> <p>Batch updates in the Shire's accounting software are not independently reviewed following update of the batch.</p> <p>Improvement: Ensure all batch updates are independently reviewed to ensure the update is as per the reviewed information.</p>
7.2.12	Accounts Payable	<p>Procedures for the payment of goods or services.</p> <p>We noted no documented review of the creditor impact statement occurs after the payments have been processed in the system to ensure the updated creditor batch agrees to the authorised batch.</p> <p>Improvement: Develop a documented review process of the impact statement to ensure no unauthorised changes have been made to a creditor batch following its review and processing in the system.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.13	Procurement	Procedures for the procurement of goods or services.	<p>Through limited testing of payments we noted the following:</p> <ul style="list-style-type: none"> Instances where the requirements of the purchasing policy had not been adhered to; and Authorisation for a reimbursement of a pre-paid debit card. These types of cards incur a high risk of circumvention of procurement controls and should not be permitted. <p>Improvements:</p> <p>All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy reflects the purchasing objectives and risks of the Shire.</p> <p>Appropriate controls relating to the requisitioning, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks.</p>
7.2.14	Credit Cards	Systems and processes to control use of Corporate Credit Cards held.	<p>Through our testing we noted:</p> <ul style="list-style-type: none"> a breakdown in internal controls relating to the independent review of credit card transactions; a transaction where a credit card was used for a transaction which is not permitted under the policy and credit card user agreement; and an international transaction, which was subsequently cancelled and refunded, however the refund amount was less than the original expense incurred. <p>Improvement:</p> <p>Update systems and processes relating to credit cards and implement accordingly. Ensure appropriate consideration is given to minimise risk of unauthorized purchases occurring on Shire credit cards.</p>
7.2.15	Accounts Receivable	Procedures for the management and control of accounts receivable.	<p>Independent review and monitoring of outstanding debtor reports and the status of recovery actions is not maintained and evidenced to ensure recovery action is being applied in accordance with established policies and procedures.</p> <p>Improvement:</p> <p>Update procedures and controls to ensure an appropriate review process has been undertaken for debtor recovery activities occurring in accordance with established Council and management policies.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.16	Overhead & Administration Allocations	To allocate indirect costs in a practical and efficient manner.	<p>No formal process is currently in place to determine the allocation of indirect costs. From staff representations, current allocation rates are based on historical estimates and reviewed during budget preparations each year. Our review noted limited monitoring throughout the year and unallocated indirect costs in May 2022, which were being reviewed. Limited periodic monitoring and review of indirect costs and subsequent corrective adjustments may financially impact budgeted works programs.</p> <p>Improvement: 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 in financial reporting of works programs.</p>
7.2.17	General Journal Entries	Journals are initiated processed which are independently reviewed and approved.	<p>There are limited documented internal control procedures for general journals. We noted review and evidence of review of journals after posting has not been consistently maintained.</p> <p>Improvement: Document internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the practice of independent review is maintained, and evidence of review is consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity.</p>
7.2.18	Changes to Banking Details	Controls to validate banking change requests.	<p>The current controls to restrict changes to bank details are considered inadequate. Formal procedures relating to changes to banking details for employees and creditors should be developed to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system.</p> <p>Improvement: Review and update procedures to ensure the following matters are appropriately considered, documented and controls are adequate to:</p> <ul style="list-style-type: none"> • Validate the change request and its origin; • Authority exists for the change request; and • Validate and control the changes once completed.

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.19	Procedure Changes	Process to control and manage change to procedures.	<p>Process for amending or changing procedures are not formalised. This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls.</p> <hr/> <p>Improvement: Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.</p>
7.2.20	Cyber Security	Procedures and practices to ensure the security of IT information, systems and data.	<p>Staff representations noted cyber security training is not routinely undertaken by the Shire.</p> <hr/> <p>Improvement: Ensure regular training is undertaken by staff equipping them with the knowledge to understand and identify cyber security threats.</p>

7.0 Framework Implementation

7.3 Human Resource Management and Practices

A number of components constitute the Shire's human resource management practices and form an essential element of risk management, internal control and legislative compliance. Each of these elements is examined in the table below.

	Component	Purpose / Goal	Matters Identified / Improvements
7.3.1	Employee Appointment Procedures	Procedures to ensure appointment of staff are appropriately authorised, and onboarding processes are consistently and routinely applied.	<p>Through our limited testing, we noted instances where not all employees had position descriptions for their assigned roles. Where position descriptions were in place, employees were not required to sign the document acknowledging their commitment to the duties and responsibilities assigned to the role.</p> <p>Improvement: Ensure position descriptions exist to articulate roles and responsibilities for each position within the organisation. These should be signed to acknowledge roles and responsibilities associated with individual employment. Undertake a review of all personnel files and establish position descriptions for employees who do not have one.</p>
7.3.2	Employee Identity and Credentials	Systems and controls for screening of new employee and monitoring existing employees for changes in their circumstances which may impact their employment.	<p>Practices and procedures for verifying employee identity, right to work in Australia, verification of employment history and qualifications are not consistently applied or documented.</p> <p>Improvement: 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.</p>
7.3.3	Personnel Records	Ensure employee records are securely stored to prevent unauthorised access.	<p>Personnel records are securely locked in a cabinet. The key for the cabinet containing these records is kept in an unlocked drawer in the administration office, of which many staff are aware of the location.</p> <p>Improvement: Secure the key for personnel records in a more appropriate location and restrict access only to officers who are appropriately authorised to access personnel records.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.3.4	Payroll Processing, Exception Reporting, Authorisation and Employee Masterfile Setup	Systems and controls to allow for appropriate review of fortnightly payroll and approval of changes to employee details.	<p>Through our limited testing, we noted breakdowns in systems and controls relating to payroll processing, authorisation and the setup of employee details. We noted the following matters in particular:</p> <ul style="list-style-type: none"> • Where regulated award increases are required, employees are not notified of the change to their agreed remuneration entitlements, and increases to be applied are advised by employees without the requisite independence or authority to advise changes; • A novated lease arrangement has been entered into which may not align with the employee contract provisions; • The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. Reliance is placed on these officers to remember individual details and identify any errors when reviewing payroll reports for authorisation for payment. • Instances where allowances had not been paid in accordance with contract provisions; and • Pay rates and superannuation contributions did not always agree to employment contracts and other authorised correspondence on employee files. <p>Improvement: Update, review and implement procedures and controls for the accurate processing, and authorisation, 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. All required reports should be presented for review and authorization each fortnight to minimize the risk of fraud, errors and omissions not being detected.</p>
7.3.5	Payroll reconciliations	Processes for the control of payroll systems.	<p>We noted the most recent reconciliation for payroll did not balance, and no reconciliations for payroll have occurred since January 2022.</p> <p>Improvement: Review system processes to ensure regular and timely review of payroll reconciliations.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.3.6	Employee Termination Procedures	Procedures to ensure staff physical and IT access is removed and Shire assets returned at the time of departure.	<p>No formal process or procedure is currently in place to ensure the appropriate actions on termination of employees. Departmental managers have the responsibility of ensuring Shire assets are recovered, however there is no formal policy, procedure or practice in place to ensure security and IT permissions are restricted, or for Shire property (phones, vehicles, keys) to be returned prior to the employee finishing with the Shire. We noted several terminated employees recorded on active IT licence lists.</p> <p>Improvement: Establish policies, procedures or checklists to manage and document actions on the termination of employees, ensuring access to IT systems, etc. is appropriately restricted and all allocated Shire assets are recovered.</p>
7.3.7	Staff Training	To ensure staff have access to ongoing and appropriate training.	<p>Planned and required staff training needs for employees are currently identified and recorded in a central training matrix for some operational areas/departments. 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.</p> <p>Improvement: Refine the current staff training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.</p>

7.4 Insurance

At present, the Executive Assistant to the CEO and the Deputy Chief Executive Officer annually reviews the completeness of insurance, which is presented to the Chief Executive Officer for final review. Discussions are also held with the insurers annually and adjustments to policies and insurance levels made as considered appropriate. The insurance values of buildings, plant and equipment are based on the three to five yearly valuations of building assets undertaken by registered valuers.

	Component	Purpose / Goal	Matters Noted / Improvements
7.4.1	Contractor Insurance	Insurance cover maintained by contractors for damage caused when undertaking works for the Shire.	<p>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.</p> <p>Improvement: 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.</p>

8.0 Framework Evaluation

Developing and implementing systems and procedures for risk management, legislative compliance and internal controls within a Shire can be a time consuming and expensive exercise with the potential to divert resources away from direct services. Considering the level of investment necessary to establish these systems, actions to monitor their effectiveness are an essential practice.

Over time, the relevancy of established controls may change, their purpose may be forgotten, or technology may offer a more efficient or effective way to achieve the initial goal. For these reasons, formal review procedures are required to ensure the resources applied to maintaining these systems, practices and controls are done so in the most efficient way.

Evidence of the monitoring of risk management, internal controls and legislative compliance is sourced from Minutes of Meetings, Registers of Disclosures and reports reviewed.

8.1 Council and Audit and Risk Committee

Regular monthly financial statements and lists of payments, made in the intervening period between each meeting, have been presented to the Council for review, as required by legislation. This provides the basis for high level oversight of the expenditure transactions of the organisation.

8.0 Framework Evaluation

	Component	Purpose / Goal	Matters Noted / Improvements
8.1.1	Council and Committee Minutes	Official record of proceedings and decisions.	<p>Our testing noted an elected member making a declaration in relation to an item considered by Council. The elected member who made the declaration did not do so until after the matter had been considered by Council, with the elected member also participating in the vote on the matter being considered.</p> <hr/> <p>Inspection of confirmed Council minutes highlighted several instances where minutes of committee meetings were confirmed as a true and accurate record by Council. Minutes of committees should not be confirmed by Council, but rather by the relevant committee to which the minutes relate.</p> <hr/> <p>Certain agenda papers and minutes of committee meetings were not available for inspection on the official local government website as required by legislation.</p> <hr/> <p>The minutes of the special meeting of Council held 1 February 2022 recorded an adjournment. During this adjournment and prior to the meeting being reconvened, three resolutions occurred and are recorded in the minutes. Although the resolutions relate to the adjournment, departure of an elected member and reconvening of the meeting (which did not necessarily require a decision of Council), it is important decisions are only considered and made whilst the meeting is open and in session.</p> <hr/> <p>A number of Council decisions recorded in minutes reviewed included both absolute majority and simple majority decisions within the same resolution. There is potential risk in this practice given the variables involved and different requirements for simple majority and absolute majority decisions of Council.</p> <hr/> <p>Improvements:</p> <p>Ensure interests declared at meetings are properly disclosed and recorded as required by legislation. Review systems and processes to ensure any participation in matters being considered by Council or Committees align with the requirements of section 5.68 of the <i>Local Government Act 1995</i>.</p> <hr/> <p>Review procedures for recording of Council and Committee meeting minutes to ensure confirmation of minutes occurs as required by Section 5.22(2) of the <i>Local Government Act 1995</i>.</p> <hr/> <p>Ensure all agenda papers, minutes and attachments supporting the minutes are published on the official local government website as required by section 5.96A of the <i>Local Government Act 1995</i>.</p> <hr/> <p>Review procedures for recording of official minutes to ensure all detail, decisions and proceedings required to be recorded by legislation are captured. Procedures should provide for any corrections required to the minutes to be considered at the meeting where they are confirmed / received.</p> <hr/> <p>Where different voting requirements exist (i.e. simple majority or absolute majority), separate recommendations accordingly to clearly convey voting requirements and minimise potential confusion and/or non compliance with voting on decisions.</p>

8.0 Framework Evaluation

	Component	Purpose / Goal	Matters Noted / Improvements
8.1.2	Annual Electors' Meetings	To consider decisions made at electors' meetings.	<p>The minutes of the annual meeting of electors' held in January 2022 were confirmed by Council as a true and correct record at the Council meeting held in February 2022. Minutes of this meeting should only be received by Council, as well as considering any motions carried at electors meetings.</p> <p>Improvement: Update systems and controls to ensure minutes are received by Council and any decisions made at electors' meetings are considered in accordance with section 5.33 of the <i>Local Government Act 1995</i>.</p>
8.1.3	Monthly Statement of Financial Activity	Monthly statements of financial activity prepared in accordance with legislative requirements.	<p>The explanation of material variances were not properly completed in the documents supporting some statements of financial activity as required by regulation 34(2)(b) of the <i>Local Government (Financial Management) Regulations 1996</i>. This includes:</p> <ul style="list-style-type: none"> Some explanations state 'refer to budget amendments', however the budget amendments note did not provide sufficient detail to support why the variances had occurred and, in some instances, did not record any budget amendments to support the variances having occurred; and Explanations refer to account/program level title or description and do not necessarily explain why variances have occurred. <p>New loan proceeds were recorded in the Shire's bank account in April 2022, however this transaction was not reflected in the corresponding monthly statement of financial activity.</p> <p>Council resolution #83/2022 in April 2022 approved a budget amendment to increase expenditure at account C12901. This amendment was not noted in subsequent monthly statement of financial activity reports presented to Council for adoption.</p> <p>Improvement: Ensure the monthly statement of financial activity is completed accurately and contains all items required by legislation.</p> <p>Systems and procedures should be updated to provide for the timely and correct entry of accounting transactions to enable accurate preparation of the monthly statement of financial activity for consideration by Council.</p> <p>Update systems and controls to ensure Council decisions are actioned and processed in a timely manner.</p>

8.0 Framework Evaluation

	Component	Purpose / Goal	Matters Noted / Improvements
8.1.4	List of Payments	Lists of payments presented to Council each month in accordance with legislative requirements.	<p>Council resolutions to consider the payments made under delegated authority did not always accurately reflect the payments made since the last meeting. This included:</p> <ul style="list-style-type: none"> • cheque payments not being included in the total consideration (list of accounts paid December 2021, January 2022, April 2022 and June 2022) • incorrect payment references (cheques and/or EFT) included in recommendation and resolution (list of accounts paid November 2021, • direct debit payments not being included in the total consideration (list of accounts paid December 2021, January 2022, February 2022, March 2022 and June 2022) • some payments made were omitted from the list of accounts paid from the municipal fund presented for Council consideration (list of accounts paid December 2021, February 2022 & April 2022); and • incorrect payment total, cheque numbers and EFT references included in recommendation and resolution (list of accounts paid May 2022). <hr/> <p>Improvement: Update systems and controls for agenda items to clearly and accurately convey matters being presented for consideration by Council, and to comply with regulation 13 of the <i>Local Government (Financial Management) Regulations 1996</i>.</p>

8.0 Framework Evaluation

8.2 Strategic and Operational Registers

A number of registers are maintained by the Shire. The table below details areas for possible improvement in relation to these registers.

	Register	Purpose / Goal	Matters Identified / Improvements
8.2.1	Delegation Register	Statutory register of delegations of authority.	<p>A review/amendment history is not currently recorded within the delegations register.</p> <p>Our testing noted delegations made in writing were not recorded in the register of delegations as required by legislation.</p> <p>Improvements:</p> <p>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.</p> <p>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 <i>Local Government Act 1995</i>.</p>
8.2.2	Financial Interest Register	Records details required under the Act relating to financial circumstances of relevant persons	<p>Our inspection of the financial interest register noted the following matters:</p> <ul style="list-style-type: none"> • Start dates for two relevant persons indicate primary returns have not been completed within three months of the documented start date as required by legislation; • Some returns contained blank fields / incomplete information; • Acknowledgements of a primary return for a relevant person was not recorded in the Financial Interest Register as required by legislation; and • Two primary returns were not available for our review. <p>Improvement:</p> <p>Review systems and procedures to ensure:</p> <ul style="list-style-type: none"> • All returns are properly completed at the time of providing acknowledgement of receipt of the returns; • The acknowledgement of receipt of all returns occurs and are appropriately filed in the register of financial interests; • Undertake a thorough examination of files to locate returns and file within the register as required within the provisions of section 5.88 of the <i>Local Government Act 1995</i>, or take action to rectify and report this matter. <p>as required by section 5.77 of the <i>Local Government Act 1995</i>.</p>

8.0 Framework Evaluation

	Register	Purpose / Goal	Matters Identified / Improvements
8.2.3	Tender Register	Statutory register of tenders called.	<p>We noted the tender register has not been updated on each occasion where a tender was called.</p> <hr/> <p>Several tenders recorded in the tender register do not include the value or a summary of the amount awarded for successful tenders. The values of the awarded tenders were also not recorded in the resolutions made by Council.</p> <hr/> <p>We noted an invitation to tender was not advertised as required by legislation. This matter of non compliance was reported to DLGSC once the matter of non compliance was detected.</p> <hr/> <p>Improvements:</p> <p>Update procedures to ensure the tender register is maintained to record details for each invitation to tender as provided by Regulation 16 & 17 of the <i>Local Government (Functions and General) Regulations 1996</i>. Where tenders are cancelled or not awarded the tender register should be updated and maintained accordingly.</p> <hr/> <p>Regulation 17 of the <i>Local Government (Functions and General) Regulations 1996</i> requires the value of the consideration (or a summary of the value of the consideration sought in the tender) accepted by the local government to be recorded in the tender register. Procedures should be updated to ensure information required by legislation is properly recorded and maintained.</p> <hr/> <p>Review systems and procedures to ensure all invitations to tender are advertised by statewide public notice in accordance with regulation 3B of the <i>Local Government (Administration) Regulations 1996</i>.</p>
8.2.4	Notifiable Gifts Register	Register of gifts received (other than as required under section 5.89A of the <i>Local Government Act 1995</i>).	<p>The Code of Conduct for employees provides for the recording, storing and disclosure of information around gifts for employees other than the CEO, through a notifiable gifts register. A current register was not available for our inspection or published on the Shire's website as required by the Code of Conduct for Employees.</p> <hr/> <p>Improvement:</p> <p>Maintain a register to record details of notifications given in relation to gifts as required by the Code of Conduct for Employees, and publish on the Shire's official website as required.</p>

8.0 Framework Evaluation

	Register	Purpose / Goal	Matters Identified / Improvements
8.2.5	Register of Hazardous Materials	Provide a record of properties under the Shire's control containing hazardous materials.	<p>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.</p> <hr/> <p>Improvement: Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.</p>
8.2.6	Risk Register	Provide a record of risk breaches and remedial action taken.	<p>A risk register to reflect identified risks, and if they have been adequately treated exists, however is not routinely maintained. Staff representations indicated a more formal electronic risk management system is being investigated for risk register maintenance, monitoring and reporting.</p> <hr/> <p>Improvement: 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.</p>

8.3 Annual Compliance Audit Returns (CAR)

Returns have been completed on a self-assessment basis and approved by Council each year. The CAR was completed both in house by staff and an independent consultant for the 2019, 2020 and 2021 return periods. In 2019 a matter of non compliance was noted relating to the preparation of an action report on significant audit matters, and in 2020 an instance of non compliance relating to the timely receipt of financial returns was also recorded. A matter of non compliance was also noted in the 2019, 2020 and 2021 returns relating to recording of delegations. These matters were reported to the Audit Committee and to Council, with improvements noted within the agenda report attachment to address matters identified.

8.0 Framework Evaluation

8.4 Complaint Handling

Community complaints are received through the Shire's website and by administration staff, which are then allocated to the relevant manager to address. Responsibility for the routine follow up of complaints to ensure they have been adequately addressed generally remains with the manager who has been allocated the complaint.

	Component	Purpose / Goal	Matters Noted / Improvements
8.4.1	Official Complaints Register	A complaint register is required to be maintained in accordance with Section 5.121 of the <i>Local Government Act 1995</i> .	<p>The official complaints register is published on the Shire's official local government website as required by section 5.121(3) of the <i>Local Government Act 1995</i>, but does not appear to be current and up to date with the last recorded entry made in November 2010.</p> <p>Improvement:</p> <p>To ensure compliance with the Act, an official up to date complaints register should be maintained and published on the Shire's official local government website.</p>
8.4.2	Community Complaints Procedures	Procedures for the recording handling and resolution of community complaints.	<p>Community complaints appear to be reported through various mechanisms, including briefing / information sessions papers and work order reports, however a formal register is not routinely maintained. Staff representations indicated more formal performance management systems are being investigated to better monitor and review the status and resolution of complaints.</p> <p>Improvement:</p> <p>To help ensure all complaints are adequately resolved, systems and processes should be updated to maintain routine monitoring of the status and action of complaints recorded in the complaints register to ensure they are adequately addressed.</p>

8.0 Framework Evaluation

8.5 Audit Practices

The 2018-19 reporting period was audited by an independent external auditor, with the 2019-20 & 2020-21 periods audited by the Office of the Auditor General (OAG). The 2018-19, 2019-20 & 2020-21 audit reports noted the operating surplus ratio had been below the benchmark set by the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for three years and indicated a significant adverse trend to the financial position of the Shire. Significant matters were also noted in 2020-21 relating to compliance with the Shire's purchasing policy and a negative unrestricted cash position at year-end.

The table below details areas for possible improvement in relation to audit practices.

	Component	Purpose / Goal	Matters Noted / Improvements
8.5.1	Internal Audit	Internal audit monitors the level of compliance with internal procedures and process along with assessing the appropriateness of these procedures.	<p>Internal auditors have been appointed on a three year internal audit program. We note the Audit and Risk Committee do not have any powers or delegations (excepting powers conferred by legislation) and internal auditors report directly to the CEO.</p> <hr/> <p>Improvement: A level of risk exists where internal auditors are limited in their ability to report directly with the Audit and Risk Committee. The committee should have delegated authority to be able to meet with internal auditors directly, in order to ensure appropriate segregations are in place between management where reporting the findings of internal audits.</p>

8.6 Review required to be undertaken by the CEO

The CEO is required to undertake reviews of systems and procedures of the local government. We noted no all recommendations from the prior reviews have been fully implemented. These recommendations have been included within this report. The table below presents matters noted in relation to these reviews.

	Component	Purpose / Goal	Matters Noted / Improvements
8.6.1	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 <i>Local Government (Audit) Regulations 1996</i> .	<p>A review was last undertaken in June 2018 and finalised in October 2018, with the next review being undertaken in June 2022 which is outside of the time period as required by regulation 17 of <i>Local Government (Audit) Regulations 1996</i>.</p> <hr/> <p>Improvement: Ensure the next review is undertaken within the next three years as required by legislation.</p>

9.0 Other Matters

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Appendix A – Financial Management Systems Review

The following reviews were undertaken to evaluate the appropriateness and effectiveness of financial management system controls:

System	Description
Bank reconciliation and petty cash management	Examination of procedures and review of maintenance and management practices undertaken by staff
Trust funds	Examination of trust funds to determine proper accountability in the Shire's financial management system and compliance with regulatory requirements
Receipts and receivables	Examination of end of day banking procedures to determine if they were adequate in ensuring cash collection is being recorded and allocated properly to the general ledger. The receivables system including raising of invoices was also reviewed with limited testing in respect to allocation/posting
Rates	<p>The Shire's rating procedures were examined to determine if they were adequate in ensuring rates were being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger. We randomly selected and tested rate notices which included:</p> <ul style="list-style-type: none"> • sighting the notices; • re-performing the calculations; • ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rates per dollar imposed are as per adopted budget; • ensuring the rate system is properly updated; and • checking proper posting to the general ledger
Purchases, payments and payables (including purchase orders)	<p>Random selection of payment transactions to determine whether purchases were authorised/budgeted and payments were supported, certified/authorised and correctly allocated. The Shire's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.</p> <p>We are aware of many incidents of payment scams/frauds within the local government industry during recent years. As a consequence of this activity, we have had a specific focus on the controls around the changes to supplier details within the EFT payment system</p>
Payroll	<p>A sample of eight employees were randomly selected from four pay runs and detailed testing of each employee's pay was performed to help ensure:</p> <ul style="list-style-type: none"> • the employee existed; • the correct rate of pay was used; • non-statutory deduction authorities are on hand; • time sheets were properly completed and authorised; • hours worked were properly authorised; and • allocations were reasonable and correctly posted <p>The Shire's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled</p>
Credit card procedures	<p>A review of the Shire's credit card procedures was performed to determine if adequate controls were in place. We randomly selected and tested credit card transactions to determine whether they are legitimate and usual in the context of the Shire's operations. This included:</p> <ul style="list-style-type: none"> • sighting tax invoices; • ascertaining whether the transaction is for bona fide Shire business; and • determining whether transactions are in line with the Shire's policy.

Appendix A – Financial Management Systems Review

System	Description
Fixed assets (including depreciation, acquisition, and disposal of property)	<p>The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined. A sample of asset additions and disposals were judgmentally selected, and testing performed to ensure:</p> <ul style="list-style-type: none"> • the tax invoices existed; • correct posting to the general ledger; • fixed assets register was promptly updated; and • classification of assets was correct. <p>In addition, a sample of four assets were judgmentally selected and testing performed to ensure the depreciation rates used are in line with the Shire's policy</p>
Cost and administration allocation	The Shire's cost and administration allocation system was examined to determine if indirect costs have been properly reallocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed
Financial reports controls	The format of the annual report, annual financial report and monthly financial reports were reviewed for compliance with legislative requirements
Budget and budget review	The 2021-22 budget document and documents surrounding budget adoption were reviewed to ensure compliance with regulatory requirements
Borrowings	Reconciliation of borrowings to the WATC loan schedules were examined
Inventory	Inventory reconciliations and stocktake procedures were examined

Appendix B – Council Policies Examined

The Council Policies examined as part of the review were as follows:

Policy Topic (manual dated November 2021, supplied for review May 2022)

1. LEGISLATIVE	
1.01	Council Policy Management
1.02	Audit Committee – Terms of Reference
1.03	Code of Conduct for Council Members, Committee Members and Candidates
1.04	Investment of Surplus Funds
1.05	Procurement Policy
1.06	Regional Price Preference
1.07	Media / Public Relations
1.08	Complaints Management Policy
1.09	CEO Performance Review
1.10	Additional payments to employees
1.11	Public Question Time
1.12	Legal Representation Costs Indemnification
1.13	Information Technology
1.14	Execution of Documents
1.15	Corporate Credit Cards
1.16	Record Keeping
1.17	Attendance of Events – Council Members and CEO
1.18	Equal Employment Opportunity
2. GOVERNANCE AND COUNCIL MEMBERS	
2.1	Corporate Governance Charter
2.2	Recognition of Council Member's service
2.3	Welcome to Country
2.4	Display of National and Other Flags
2.5	Use of Crest and Logo
2.6	Risk Management
2.7	Fraud and Corruption Prevention
2.8	Community Assistance Fund
2.9	Loans
2.10	Continuing Professional Development – Council Members
2.11	Human Resources Communicating with Shire President
2.12	Council Member Allowances, Expenses and Entitlements
2.13	Use of Social Media
2.14	Voluntary Emergency Services Leave
2.15	Meetings, Information Sessions and Decision Making Process
2.16	Habitual or Vexatious Complaints
2.17	Civic, ceremonial and hospitality functions

Appendix B – Council Policies Examined

3. COMMUNITY

- 3.1 Consultation
- 3.2 Rates Recovery
- 3.3 Rates and Charges
- 3.4 Rates Exemption
- 3.5 Debt Collection
- 3.6 Australia Day – Citizenship Award
- 3.7 Vandalism
- 3.8 Consumption of Alcohol – Council Property
- 3.9 Community Housing – Eligibility
- 3.10 Ban/Limits on Smoking
- 3.11 Haulage Campaigns
- 3.12 Heavy Vehicles Conditions for use on Shire Roads
- 3.13 Infrastructure Policy – Asset Management
- 3.14 Regulation of Dog Kennels
- 3.15 Regulation of keeping more than 2 dogs
- 3.16 Regulation of Cat Pounds
- 3.17 Asbestos Management
- 3.18 Bush Fire
- 3.19 Bush Fire Brigade Grievance Process and Disciplinary Action
- 3.20 Meetings of Bush Fire Brigades
- 3.21 Code of Conduct, Bush Fire Brigade Objectives and Values
- 3.22 Membership of Bush Fire Brigades
- 3.23 Roles of Bush Fire Brigade Officers
- 3.24 Closed Circuit TV Systems
- 3.25 Self Supporting Loans
- 3.26 Dangerous Trees on Private Property
- 3.27 Naming of Shire Streets and Assets
- 3.28 Tandem Parachute Jumps
- 3.29 Road Safety Audits
- 3.30 Related Party Disclosures
- 3.31 Chief Executive Officer – Taking of Leave
 - 3.3.1.1 Appointment of Acting Chief Executive Officer
 - 3.3.1.2 Model Standards for CEO Recruitment, Performance and Termination
- 3.32 Financial Hardship Policy
- 3.33 Sea Containers

Appendix C – Plans Examined

The Plans examined as part of the review were as follows:

Plan	Status
Strategic Community Plan	2018-2028
Corporate Business Plan	2020-2024
Asset Management Plan	2020-2040
Long Term Financial Plan	2021-2035
Disaster Recovery Plan	2022
Workforce Plan	2013-2022
Code of Conduct – Elected Members	February 2021
Code of Conduct – Employees	March 2022
Record Keeping Plan	Approved by State Records Office 9 August 2019
Facility Evacuation Plans	2021
Occupational Health and Safety Manual	2021
Annual Report	2019-20, 2020-21

Appendix D – Strategic and Operational Registers Examined

The registers examined as part of the review were as follows:

Register
Gifts Register
Delegation Register (adopted March 2022)
Financial Interests Register
Official Complaints Register
Community Complaints Register
Hazards Register
Cemeteries Register
Contracts Register
Building Application Register
Swimming Pool Inspection Register
Eating House Inspection Register
Risk Register

Appendix E – Operational Guidelines

Risk Management

The internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:

Reviewing whether the local government has an effective risk management system and material operating risks to the local government are appropriately considered;

Reviewing whether the local government has a current and effective Business Continuity Plan (including disaster recovery) which is tested from time to time;

Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas:

- potential non-compliance with legislation, regulations and standards and local government's policies
- important accounting judgements or estimates prove to be wrong
- litigation and claims
- misconduct, fraud and theft
- significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government

Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure identified risks are monitored and new risks are identified, mitigated and reported;

Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;

Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors;

Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;

Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;

Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and

Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- a) *Monitoring compliance with legislation and regulations*
- b) *Reviewing the annual Compliance Audit Return and reporting to Council the results of that review*
- c) *Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary*

Legislative Compliance (continued)

Appendix E – Operational Guidelines

- d) *Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints*
- e) *Obtaining assurance that adverse trends are identified and review management's Plans to deal with these*
- f) *Reviewing management disclosures in financial reports of the effect of significant compliance issues*
- g) *Reviewing whether the internal and / or external auditors have regard to compliance and ethics risks in the development of their Audit Plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee*
- h) *Considering the internal auditor's role in assessing compliance and ethics risks in their Plan;*
- i) *Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements*
- j) *Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest*

Internal Controls

Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.

These systems not only relate to accounting and reporting but also include communication processes both internally and externally, staff management and error handling.

Operational Guidelines prepared by the Department of Local Government and Communities (Audit in Local Government number 09 September 2013) provide the background to Internal Controls in the context of this review as follows:

'Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- a) *integrity and ethics;*
- b) *policies and delegated authority;*
- c) *levels of responsibilities and authorities;*
- d) *audit practices;*
- e) *information system access and security;*
- f) *management operating style; and*
- g) *human resource management and practices.*

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Appendix E – Operational Guidelines

Internal Controls (continued)

Aspects of an effective control framework will include:

- a) delegation of authority;*
- b) documented policies and procedures;*
- c) trained and qualified employees;*
- d) system controls;*
- e) effective Policy and process review;*
- f) regular internal audits*
- g) documentation of risk identification and assessment; and*
- h) regular liaison with auditor and legal advisors.*

The following are examples of controls that are typically reviewed:

- a) separation of roles and functions, processing and authorisation;*
- b) control of approval of documents, letters and financial records;*
- c) comparison of internal data with other or external sources of information;*
- d) limit of direct physical access to assets and records;*
- e) control of computer applications and information system standards;*
- f) limit access to make changes in data files and systems;*
- g) regular maintenance and review of financial control accounts and trial balances;*
- h) comparison and analysis of financial results with budgeted amounts;*
- i) the arithmetical accuracy and content of records;*
- j) report, review and approval of financial payments and reconciliations; and*
- k) comparison of the result of physical cash and inventory counts with accounting records.*

Appendix F – Improvements Identified

Risk Area	Prioritised action required
Design – Policies	6.2.3 Policy 1.05 Procurement
Implementation – Strategic and Operational Plans	7.1.2 Asset Management Plan 7.1.3 Corporate Business Plan 7.1.4 Business Continuity & Disaster Recovery Plan 7.1.5 ICT Strategic Plan
Implementation – Operational and Financial Procedures	7.2.1 Risk Management Procedures 7.2.10 Bank Reconciliations 7.2.11 Receipting Procedures 7.2.12 Accounts Payable 7.2.13 Procurement 7.2.14 Credit Cards 7.2.17 General Journal Entries 7.2.18 Changes to Banking Details
Implementation – Human Resource Management and Practices	7.3.1 Employee Appointment Procedures 7.2.2 Employee Identity and Credentials 7.3.3 Personnel Records 7.3.4 Payroll Processing, Exception Reporting, Authorisation and Employee Masterfile Setup 7.3.5 Payroll reconciliations
Implementation – Insurance	7.4.1 Contractor Insurance 7.4.2 Insurance Renewal Review
Evaluation – Council and Audit and Risk Committee	8.1.3 Monthly Statement of Financial Activity
Evaluation – Strategic and Operational Registers	8.2.1 Delegation Register 8.2.2 Financial Interest Register
Evaluation – Audit Practices	8.5.1 Internal Audit
Evaluation – Complaint Handling	8.4.1 Official Complaints Register

Appendix F – Improvements Identified

Risk Area	Planned action required
Design – Policies	6.2.1 Policy 1.02 Audit Committee – Terms of Reference 6.2.2 Policy 1.04 Investment of Surplus Funds 6.2.4 Policy 1.08 Complaints Management 6.2.5 Policy 1.09 CEO Performance Review 6.2.6 Internal Control Policy 6.2.7 Legislative Compliance Policy
Implementation – Strategic and Operational Plans	7.1.1 Workforce Plan 7.1.6 Code of Conduct for Employees, Volunteers and Contractors
Implementation – Operational and Financial Procedures	7.2.2 Operational Procedures 7.2.3 Procedures at Shire Facilities 7.2.4 Record Keeping Practices 7.2.5 Information Required to be Published on Local Government Website 7.2.6 Mid-Year Budget Review 7.2.7 Annual Report 7.2.8 Rates 7.2.9 Rate notices and information accompanying rate notices 7.2.15 Accounts Receivable 7.2.16 Overhead & Administration Allocations 7.2.19 Procedure Changes 7.2.20 Cyber Security
Implementation – Human Resource Management and Practices	7.3.6 Employee Termination Procedures 7.3.7 Staff Training
Evaluation – Council and Audit and Risk Committee	8.1.1 Council and Committee Minutes 8.1.2 Annual Electors' Meetings 8.1.3 Monthly Statement of Financial Activity 8.1.4 List of Payments
Evaluation – Strategic and Operational Registers	8.2.1 Delegation Register 8.2.3 Tender Register 8.2.4 Notifiable Gift Register 8.2.5 Register of Hazardous Materials 8.2.6 Risk Register
Evaluation – Complaint Handling	8.4.2 Community Complaints Procedures
Evaluation – CEO Reviews	8.6.1 Audit Regulation 17 Review

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Shire of Shire of Coolgardie Risk Assessment Reg 17 FMR Review Draft 15-09-22

Context of Assessment	Report Section	Component	Purpose/Goal	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Completed - Yes/No	Proposed Action to be Taken	Date Proposed for Action to be Taken	Action Taken	Date Action Taken
Shire Wide	6.2	Policy 1.02 Audit Committee – Terms of Reference	Policy to describe the functions and membership of the Audit Committee.	6.2.1 a	The policy states one of the responsibilities of the audit committee is for the process of selecting and appointing an Auditor. Current legislation requires the Office of the Auditor General to be appointed as the Shire's auditor.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review the policy to amend the audit committee responsibility to be for the process of selecting and appointing an internal auditor.						
Shire Wide	6.2	Policy 1.02 Audit Committee – Terms of Reference	Policy to describe the functions and membership of the Audit Committee.	6.2.1 b	Review of the draft annual financial report, as well recommending the adoption of the financial report to Council, is included as a responsibility of the audit committee. We did not observe this process occurring through our inspection of the minutes and onsite testing.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update systems and procedures to comply with the policy, or alternatively update and amend the policy with appropriate controls and ensure these are applied and maintained.						
Shire Wide	6.2	Policy 1.04 Investment of Surplus Funds	To adopt a prudent approach to investments, in full compliance with all statutory requirements.	6.2.2 a	The policy requires a monthly report be presented to Council to detail the investment portfolio in terms of performance, percentage exposure of total portfolio and maturity date. We did not note a report to support the Monthly Statement of Financial Activity, as required by the policy, being presented to Council each month.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Provide a monthly report to Council as required by the policy.						
Shire Wide	6.2	Policy 1.04 Investment of Surplus Funds	To adopt a prudent approach to investments, in full compliance with all statutory requirements.	6.2.2 b	The investment register required by the policy (and required to support control procedures required by regulation 19 of the Local Government (Financial Management) Regulations 1996) was not available for our review.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Establish and maintain an investment register as required by the policy and to support required regulatory control procedures.						
Shire Wide	6.2	Policy 1.04 Investment of Surplus Funds	To adopt a prudent approach to investments, in full compliance with all statutory requirements.	6.2.2 c	Evidence to support an annual investment report being prepared for Council consideration, reviewing the performance of investments as required by the policy, was not available for our review.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Prepare an annual report for Council consideration on investments as required by the policy.						
Shire Wide	6.2	Policy 1.05 Procurement	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 Procurement Policy.	6.2.3	The policy provides limited direction regarding contract variations and extensions awarded or against a written specification not awarded by tender. Extension of contracts and associated price changes are also not covered by the policy. For contracts awarded by tender, legislation provides minimum requirements.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Amend the policy to provide purchasing requirements for the issuing of contract variations and extensions for contracts not awarded by public tender. Consideration should be given to circumstances where the contract value increases over a policy threshold level, due to the variation or extension.						
Shire Wide	6.2	Policy 1.08 Complaints Management	Policy to provide an efficient, effective and consistent approach to the management of complaints.	6.2.4	The policy requires an annual record of complaints, services data, trends etc to be reported to Council within two months of the end of financial year. We did not observe this report being prepared and considered as defined within the policy.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review systems and processes to clearly set out requirements and responsibilities of staff to ensure complaints are appropriately recorded to assist with the preparation of reports and to comply with the policy requirements.						
Shire Wide	6.2	Policy 1.09 CEO Performance Review	Policy to set out processes for review of the CEO's performance and to assist with compliance with legislation.	6.2.5	Elected members seeking appointment to the relevant committee undertaking CEO performance reviews are required to undertake specific training within six months of their appointment to the committee. Evidence of this training having occurred as required by the policy is not evident from the Elected Member Training Report published on the official local government website.	Invalid or Ineffective Policy, Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Develop and maintain a training matrix to identify elected member training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required qualifications, professional develop and mandated training.						
Shire Wide	6.2	Internal Control Policy	A policy to evidence Council's commitment to internal controls and their importance to the organisation.	6.2.6	Currently, no policy on internal controls has been adopted by Council.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Jul-22	Possible	Minor	Moderate	Medium	Planned action required	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.						
Shire Wide	6.2	Legislative Compliance Policy	A policy to evidence Council's commitment to legislative compliance and its importance to the organisation.	6.2.7	Currently, no policy on internal legislative compliance has been adopted by Council.	Failure to identify risks or adequately treat risks, Invalid or Ineffective Policy	Jul-22	Possible	Minor	Moderate	Medium	Planned action required	Development and adoption of a legislative compliance policy may help formalise Council's commitment and approach to legislative compliance.						
Shire Wide	7.1	Workforce Plan	Document to enable appropriate planning of the workforce to deliver the Corporate Business Plan, and consider workforce requirements.	7.1.1	Evidence of review of the Workforce Plan 2013-2022 was not available for our review, and the plan is now out of date. Although there is no statutory obligation to adopt the plan, it is required by the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016) to be in place, and to inform the Corporate Business Plan and annual budget.	Lack of strategic direction for implementation of internal controls	Jul-22	Possible	Minor	Moderate	Medium	Planned action required	Review and update the Workforce Plan to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016).						
Shire Wide	7.1	Asset Management Plan	Plan to guide the future management of assets.	7.1.2	The Asset Management Plan 2020-2040 was prepared in June 2020. The plan does not meet the standards set within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016), as required asset data could not be identified to calculate financial ratios.	Lack of strategic direction for implementation of internal controls	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Review and update the Asset Management Plan to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSC Integrated Planning and Reporting Advisory Standard (September 2016).						
Shire Wide	7.1	Corporate Business Plan	A plan to guide the internal operations of the Shire in delivering services to the community.	7.1.3 a	The plan includes a section titled 'risk management' which refers to a superseded risk management standard.	Lack of strategic direction for implementation of internal controls, Compliance Breach	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Update references to risk management considerations within the plan, to ensure they are align and are consistent with the Shire's risk management policy and framework.						
Shire Wide	7.1	Corporate Business Plan	A plan to guide the internal operations of the Shire in delivering services to the community.	7.1.3 b	The Corporate Business Plan has not been reviewed annually as required by Local Government (Administration) Regulations 1996 19DA (4). A draft plan is being prepared and is yet to be considered by Council.	Lack of strategic direction for implementation of internal controls, Compliance Breach	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Finalise and present the draft revised Corporate Business Plan for consideration by Council. To help ensure compliance and provide sound planning direction to the organisation, the Corporate Business Plan should be reviewed annually as required by legislation.						
Shire 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.	7.1.4	A Disaster Recovery Plan was prepared in 2020 and most recently tested in 2022, 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	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Expand the current 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.						
Shire Wide	7.1	ICT Strategic Plan	Plan to guide the future development and delivery of ICT services.	7.1.5	An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection.	Lack of strategic direction for implementation of internal controls	Jul-22	Possible	Moderate	Major	High	Prioritised action required	Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level. Consider independent review of identified ICT risks.						

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Context of Assessment	Report Section	Component	Purpose/Goal	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Completed - Yes/No	Proposed Action to be Taken	Date Proposed for Action to be Taken	Action Taken	Date Action Taken
Local	7.1	Code of Conduct for Employees, Volunteers and Contractors	To provide guidance to employees, volunteers and contractors of enforceable rules and requirements as prescribed in relevant legislation.	7.1.6	The Code of Conduct for Employees, Volunteers and Contractors has not been published on the official local government website as required by legislation.	Failure to identify risks or adequately treat identified risks. Compliance breach	Jul-22	Possible	Minor	Minor	Medium	Planned action required	Publish the updated Code of Conduct on the official local government website as required by section 5.51A of the Local Government Act 1995.						
Local	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	Risk management activities currently undertaken are largely undocumented and are sometimes performed independently within individual departments. Some of these activities may not align with the Shire's Risk Management Policy and Framework, including periodic reporting to the Audit and Risk Committee.	Failure to identify risks or adequately treat risks	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Communicate throughout the Shire current risk management procedures and processes to assist with routine and consistent applications in accordance with Council 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.						
Local	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	Procedures are not formalised for some key operational functions throughout the Shire. Workflow process diagrams, checklists and documented procedures may assist to create a visual representation of a process, clearly identifying key points of control and responsibility to be evidenced and independently reviewed.	Lack of strategic direction for implementation of internal controls	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	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.						
Local	7.2	Procedures at Shire Facilities	Procedures to set out guidance for expected processes, systems and controls to be maintained at Shire facilities.	7.2.3	Controls in relation to the use of some Shire facilities are considered inadequate. Documented procedures and controls are required to ensure appropriate controls and reconciliations are applied to minimise risks of misuse and breakdowns in key controls occurring.	Breakdown in internal controls. Failure to identify risks or adequately treat identified risks.	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update systems and controls to ensure staff at Shire facilities are aware of and understand the control environment required to be adhered to.						
Local	7.2	Record Keeping Practices	To demonstrate compliance of record keeping systems and practices with legislative requirements.	7.2.4	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.	Breakdown in internal controls. Failure to identify risks or adequately treat identified risks.	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review systems and processes to ensure currency of the Record Keeping Plan and implementation of any improvements noted within the plan, including self evaluated improvements, ongoing training and any actions noted by the State Records Office.						
City Wide	7.2	Information Required to be Published on Local Government Website	Ensure information is published for public information as required by legislation.	7.2.5	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: -Map of the district showing district boundaries and ward boundaries; -Statement of objects and reasons for differential rates; -Name of each council member who lodged a primary return or annual return for the financial year beginning on or after 1 July 2020; -Position of each employee who lodged a primary or annual return for the financial year beginning on or after 1 July 2020; and -The type, amount or value of any fees, expenses or allowances paid to each elected member during the financial year beginning on or after 1 July 2020.	Breakdown of internal controls, compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Ensure information is published on the Shire's official website as required by section 5.59A of the Local Government Act 1995 and any other relevant legislation.						
City Wide	7.2	Mid-Year Budget Review	To undertake a review of budget forecasts and estimated outcomes in accordance with regulatory requirements.	7.2.6	The Shire's 2021-22 budget review was presented to Council for adoption on 22 February 2022 with a budget review date noted within the officer's report of 8 February 2022, and accounts being examined for the period ending 31 December 2021. A recent interpretation by DLGSC considers the budget review date to be the period end date of accounts being examined (in this instance, 31 December 2021). To comply with regulations whereby the budget review is considered within 30 days of the review date, the review would have been required to be considered by 30 January 2022. We also noted the 2020-21 and year budget review was not considered within timeframes required by legislation.	Breakdown of internal controls, compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review systems and procedures to ensure future budget reviews are undertaken as required by regulation 33A of the Local Government (Financial Management) Regulations 1996.						
City Wide	7.2	Annual Report	Ensure the annual report contains all information required by legislation, is accepted by Council and published to the local government website as required.	7.2.7	The 2020-21 annual report adopted on 21 December 2021 but was not uploaded to the Shire's website until 7 January 2022. The report has omitted some information required by legislation, namely: -Demeritation paid or provided to the CEO during the financial year; -Information on payment to employees entitled to an annual salary of \$130,000 or more is required to be reported by each band of \$10,000 over \$130,000; -Statement relating to the process to apply for information under the Freedom of Information Act 1992; and -National Competition Policy.	Breakdown of internal controls, compliance Breach	Jul-22	Likely	Minor	Minor	Medium	Planned action required	Ensure process is in place for the annual report to be uploaded to the Shire's website within 14 days of adoption by Council, as required by section 5.55A of the Local Government Act 1995 and future annual reports include all information required by legislation.						
Local	7.2	Rates	Rates are correctly imposed and rate system is properly maintained.	7.2.8	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.	Breakdown of internal controls, compliance Breach	Jul-22	Possible	Moderate	Minor	Medium	Planned action required	Develop and maintain systems and processes in accordance with Council policy whereby routine reviews are undertaken of rate exempt properties within the Shire, confirming these properties are used exclusively for rate exempt purpose.						
Local	7.2	Rate notices and information accompanying rate notices	Compliance with requirements when issuing rate notices.	7.2.9	The 2021/22 rate notice and the 2021/22 information accompanying the rate notice did not contain a brief statement that relates to pensioners and seniors under the Rates and Charges (Rebates and Deferrals) Act 1992 are funded by the Government of Western Australia.	Breakdown of internal controls, compliance Breach	Jul-22	Possible	Minor	Minor	Medium	Planned action required	Ensure all information required by the Local Government Act 1995 and associated regulations to be contained within rates notices included in annual rates notices or information accompanying the rates notice.						
Local	7.2	Bank Reconciliations	Processes for the control of the Shire's cash at bank.	7.2.10 a	Reconciliations for the bank were not always conducted in a timely manner from samples selected for our review. Staff representations detail this was being due to the unavailability of key staff to perform the task. Bank reconciliations are a key control and any untimely, non-reconciled bank accounts are considered a high risk to an organisation.	Breakdown of internal controls, financial and fraud risk	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Review systems and processes to ensure staff capacity for the regular and timely completion and review of bank reconciliations.						
Local	7.2	Bank Reconciliations	Processes for the control of the Shire's bank funds.	7.2.10 b	We noted at the time of our review, bank reconciliations had been prepared up until April 2022, which included several long outstanding transactions remaining uncleaned since at least July 2021.	Breakdown of internal controls, financial and fraud risk	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Review uncleaned transactions to identify the resolution required to clear the long outstanding corrections. Appropriate review and authorisation controls of any remedial action to clear these items should be observed.						
Local	7.2	Receiving Procedures	Procedures to appropriately control funds received by receiving officers.	7.2.11	Batch updates in the Shire's accounting software are not independently reviewed following update of the batch.	Breakdown of internal controls, financial and fraud risk	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Ensure all batch updates are independently reviewed to ensure the update is as per the reviewed information.						
Local	7.2	Accounts Payable	Procedures for the payment of goods or services.	7.2.12	We noted no documented review of the creditor impact statement occurs after the payments have been processed in the system to ensure the updated creditor batch agrees to the authorised batch.	Breakdown of internal controls, financial and fraud risk	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Develop a documented review process of the impact statement to ensure no unauthorised changes have been made to a creditor batch following its review and processing in the system.						
Local	7.2	Procurement	Procedures for the procurement of goods or services.	7.2.13	Through limited testing of payments we noted the following: -Instances where the requirements of the purchasing policy had not been adhered to; and -Authorisation for a reimbursement of a pre-paid debit card. These types of cards incur a high risk of circumvention of procurement controls and should not be permitted.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy reflects the purchasing objectives and risks of the Shire. Appropriate controls relating to the requisitioning, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks.						
Local	7.2	Credit Cards	Systems and processes to control use of Corporate Credit Cards held.	7.2.14	Through our testing we noted: -Breakdown in internal controls relating to the independent review of credit card transactions; -A transaction where a credit card was used for a transaction which is not permitted under the policy and credit card user agreement; and -An international transaction, which was subsequently cancelled and refunded, however the refund amount was less than the original expense incurred.	Breakdown of internal controls, financial and fraud risk. Compliance breach	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Update systems and processes relating to credit cards and implement accordingly. Ensure appropriate consideration is given to minimise risk of unauthorised purchases occurring on Shire credit cards.						
Local	7.2	Accounts Receivable	Procedures for the management and control of accounts receivable.	7.2.15	Independent review and monitoring of outstanding debtor reports and the status of recovery actions is not maintained and evidenced to ensure recovery action is being applied in accordance with established policies and procedures.	Breakdown of internal controls	Jul-22	Possible	Minor	Minor	Medium	Planned action required	Update procedures and controls to ensure an appropriate review process has been undertaken for debtor recovery activities occurring in accordance with established Council and management policies.						

Shire of Shire of Coolgardie Risk Assessment Reg 17 FMR Review Draft 15-09-22

Context of Assessment	Report Section	Component	Purpose/Goal	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Date of Initial Risk Identification	Likelihood	Strategic Consequences	Operational Consequences	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	Completed - Yes/No	Proposed Action to be Taken	Date Proposed for Action to be Taken	Action Taken	Date Action Taken
ditional	7.2	Overhead & Administration Allocations	To allocate indirect costs in a practical and efficient manner.	7.2.16	No formal process is currently in place to determine the allocation of indirect costs. From staff representations, current allocation rates are based on historical estimates and reviewed during budget preparations each year. Our review noted limited monitoring throughout the year and unallocated indirect costs in May 2022, which were being reviewed. Limited periodic monitoring and review of indirect costs and subsequent corrective adjustments may financially impact budgeted works programs.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Jul-22	Possible	Minor	Minor	Medium	Planned action required	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 in financial reporting of works programs.						
ditional	7.2	General Journal Entries	Journals are initiated processed which are independently reviewed and approved.	7.2.17	There are limited documented internal control procedures for general journals. We noted review and evidence of review of journals after posting has not been consistently maintained.	Breakdown of internal controls, financial and fraud risk	Jul-22	Possible	Moderate	Major	High	Prioritised action required	Document internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the practice of independent review is maintained, and evidence of review is consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity.						
ditional	7.2	Changes to Banking Details	Controls to validate banking change requests.	7.2.18	The current controls to restrict changes to bank details are considered inadequate. Formal procedures relating to changes to banking details for employees and creditors should be developed to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system.	Breakdown of internal controls, financial and fraud risk	Jul-22	Possible	Moderate	Major	High	Prioritised action required	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.						
ditional	7.2	Procedure Changes	Process to control and manage change to procedures.	7.2.19	Process for amending or changing procedures are not formalised. This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Jul-22	Possible	Minor	Minor	Medium	Planned action required	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.						
Entity Wide	7.2	Cyber Security	Procedures and practices to ensure the security of IT information, systems and data.	7.2.20	Staff representations noted cyber security training is not routinely undertaken by the Shire.	Failure to identify risks or adequately treat identified risks. Controls reliant on the capability and honesty of staff	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Ensure regular training is undertaken by staff equipping them with the knowledge to understand and identify cyber security threats.						
ditional	7.3	Employee Appointment Procedures	Procedures to ensure appointment of staff are appropriately authorised and onboarding processes are consistently and routinely applied	7.3.1	Through our limited testing, we noted instances where not all employees had position descriptions for their assigned roles. Where position descriptions were in place, employees were not required to sign the document acknowledging their commitment to the duties and responsibilities assigned to the role.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Ensure position descriptions exist to articulate roles and responsibilities for each position within the organisation. These should be signed to acknowledge roles and responsibilities associated with individual employment. Undertake a review of all personnel files and establish position descriptions for employees who do not have one.						
ditional	7.3	Employee Identity and Credentials	Systems and controls for screening of new employee and monitoring existing employees for changes in their circumstances which may impact their employment.	7.3.2	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	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	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.						
ditional	7.3	Personnel Records	Ensure employee records are securely stored to prevent unauthorised access.	7.3.3	Personnel records are securely locked in a cabinet. The key for the cabinet containing these records is kept in an unlocked drawer in the administration office, of which many staff are aware of the location.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Secure the key for personnel records in a more appropriate location and restrict access only to officers who are appropriately authorised to access personnel records.						
ditional	7.3	Payroll Processing, Exception Reporting, Authorisation and Employee Masterfile Setup	Systems and controls to allow for appropriate review of fortnightly payroll and approval of changes to employee details.	7.3.4	Through our limited testing, we noted breakdowns in systems and controls relating to payroll processing, authorisation and the setup of employee details. We noted the following matters in particular: -Where regulated award increases are required, employees are not notified of the change to their agreed remuneration entitlements, and increases to be applied are advised by employees without the requisite independence or authority to advise changes. -A revealed lease arrangement has been entered into which may not align with employee contract provisions; -The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. Reliance is placed on these officers to re-verify individual details and identify any errors when reviewing payroll reports for authorisation for payment. -Instances where allowances had not been paid in accordance with contract provisions; and -Day rates and superannuation contributions did not always agree to employment contracts and other authorised correspondence on employee files.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Update, review and implement procedures and controls for the accurate processing, and authorisation, 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. All required reports should be presented for review and authorisation each fortnight to minimize the risk of fraud, errors and omissions not being detected.						
ditional	7.3	Payroll reconciliations	Processes for the control of payroll systems.	7.3.5	We noted the most recent reconciliation for payroll did not balance, and no reconciliations for payroll have occurred since January 2022.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Jul-22	Likely	Minor	Moderate	High	Prioritised action required	Review system processes to ensure regular and timely review of payroll reconciliations.						
ditional	7.3	Employee Termination Procedures	Procedures to ensure staff physical and IT access is removed and Shire assets returned at the time of departure	7.3.6	No formal process or procedure is currently in place to ensure the appropriate actions on termination of employees. Departmental managers have the responsibility of ensuring Shire assets are recovered, however there is no formal policy, procedure or practice in place to ensure security and IT permissions are revoked, or for Shire property (phones, vehicles, keys) to be returned prior to the employee finishing with the Shire. We noted several terminated employees recorded on active IT licence lists.	Breakdown of internal controls Controls reliant on the capability and honesty of staff	Jul-22	Possible	Minor	Moderate	Medium	Planned action required	Establish policies, procedures or checklists to manage and document the actions on termination of employees, ensuring access to IT systems, etc. is appropriately restricted and all allocated Shire assets are recovered.						
ditional	7.3	Staff Training	To ensure staff have access to ongoing and appropriate training	7.3.7	Planned and required staff training needs for employees are currently identified and recorded in a central training matrix for some operational areas/departments. 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.	Lack of strategic direction for implementation of internal controls	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Refine the current staff training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.						
ditional	7.4	Contractor Insurance	Insurance cover maintained by contractors for damage caused when undertaking works for the Shire.	7.4.1	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.	Failure to identify risks or adequately treat risks	Jul-22	Possible	Moderate	Major	High	Prioritised action required	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.						
Functional	7.4	Insurance Renewal Review	Insurance cover is adequately maintained.	7.4.2	We noted a breakdown in internal controls relating to renewal of an annual insurance policy. Estimated wages disclosed in renewal documents was not independently reviewed by a senior officer for reasonableness and accuracy, resulting in a significant premium adjustment and unbudgeted liability later in the reporting period.	Breakdown of Internal Controls, Failure to identify risks or adequately treat identified risks	Jul-22	Possible	Major	Moderate	High	Prioritised action required	Update systems and procedures to ensure insurance renewal disclosures are appropriately prepared and reviewed, and sufficient budget provisions for insurance premiums are maintained.						
ty Wide	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1 a	Our testing noted an elected member making a declaration in relation to an item considered by Council. The elected member who made the declaration did not do so until after the matter had been considered by Council, with the elected member also participating in the vote on the matter being considered.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Ensure interests declared at meetings are properly disclosed and recorded as required by legislation. Review systems and processes to ensure any participation in matters being considered by Council or Committees align with the requirements of section 5.68 of the Local Government Act 1995.						
ty Wide	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1 b	Inspection of confirmed Council minutes highlighted several instances where minutes of committee meetings were confirmed as a true and accurate record by Council. Minutes of committees should not be confirmed by Council, but rather by the relevant committee to which the minutes relate.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review procedures for recording of Council and Committee meeting minutes to ensure confirmation of minutes occurs as required by Section 5.22(2) of the Local Government Act 1995.						

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Entity Wide	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1 c	Certain agenda papers and minutes of committee meetings were not available for inspection on the official local government website as required by legislation.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Ensure all agenda papers, minutes and attachments supporting the minutes are published on the official local government website as required by section 5.95A of the Local Government Act 1995.						
Entity Wide	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1 d	The minutes of the special meeting of Council held 1 February 2022 recorded an adjournment. During this adjournment and prior to the meeting being reconvened, three resolutions occurred and are recorded in the minutes. Although the resolutions relate to the adjournment, departure of an elected member and recovering of the meeting (which did not necessarily require a decision of Council), it is important decisions are only considered and made whilst the meeting is open and in session.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review procedures for recording of official minutes to ensure all detail, decisions and proceedings required to be recorded by legislation are captured. Procedures should provide for any corrections required to the minutes to be considered at the meeting where they are confirmed / received.						
Entity Wide	8.1	Council and Committee Minutes	Official record of proceedings and decisions.	8.1.1 e	A number of Council decisions recorded in minutes reviewed included both absolute majority and simple majority decisions within the same resolution. There is potential risk in this practice given the variables involved and different requirements for simple majority and absolute majority decisions of Council.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Where different voting requirements exist (i.e. simple majority or absolute majority), separate recommendations accordingly to clearly convey voting requirements and minimise potential confusion and/or non compliance with voting on decisions.						
Entity Wide	8.1	Annual Electors' Meetings	To consider decisions made at electors' meetings.	8.1.2	The minutes of the annual meeting of electors' held in January 2022 were confirmed by Council as a true and correct record at the Council meeting held in February 2022. Minutes of this meeting should only be received by Council, as well as considering any motions carried at electors meetings.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update systems and controls to ensure minutes are received by Council and any decisions made at electors' meetings are considered in accordance with section 5.33 of the Local Government Act 1995.						
Entity Wide	8.1	Monthly Statement of Financial Activity	Monthly statements of financial activity prepared in accordance with legislative requirements.	8.1.3 a	The explanation of material variances were not properly completed in the documents supporting some statements of financial activity as required by regulation 34(2)(b) of the Local Government (Financial Management) Regulations 1996. This includes: -Some explanations state 'refer to budget amendments', however the budget amendments note did not provide sufficient detail to support why the variances had occurred and in some instances did not record any budget amendments to support the variances having occurred; -Explanations refer to account/program level title or description and do not necessarily explain why variances have occurred.	Failure to identify risks or adequately treat risks. Internal control or compliance breach	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	Ensure the monthly statement of financial activity is completed accurately and contains all items required by legislation.						
Entity Wide	8.1	Monthly Statement of Financial Activity	Monthly statements of financial activity prepared in accordance with legislative requirements.	8.1.3 b	New loan proceeds were recorded in the Shire's bank account in April 2022, however this transaction was not reflected in the corresponding monthly statement of financial activity.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Systems and procedures should be updated to provide for the timely and correct entry of accounting transactions to enable accurate preparation of the monthly statement of financial activity for consideration by Council.						
Entity Wide	8.1	Monthly Statement of Financial Activity	Monthly statements of financial activity prepared in accordance with legislative requirements.	8.1.3 c	Council resolution #83/2022 in April 2022 approved a budget amendment to increase expenditure at account C12601. This amendment was not noted in subsequent monthly statement of financial activity reports presented to Council for adoption.	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update systems and controls to ensure Council decisions are actioned and processed in a timely manner.						
Entity Wide	8.1	List of Payments	Lists of payments presented to Council each month in accordance with legislative requirements.	8.1.4	Council resolutions to consider the payments made under delegated authority did not always accurately reflect the payments made since the last meeting. This included: -Cheque payments not being included in the total consideration (list of accounts paid December 2021, January 2022, April 2022 and June 2022) -Incorrect payment references (cheques and/or EFT) included in recommendation and resolution (list of accounts paid November 2021) -Direct debit payments not being included in the total consideration (list of accounts paid December 2021, January 2022, February 2022, March 2022 and June 2022) -Some payments made were omitted from the list of accounts paid from the municipal fund presented for Council consideration (list of accounts paid December 2021, February 2022 & April 2022), and -Incorrect payment total, cheque numbers and EFT references included in recommendation and resolution (list of accounts paid May 2022)	Internal control or compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update systems and controls for agenda items to clearly and accurately convey matters being presented for consideration by Council, and to comply with regulation 13 of the Local Government (Financial Management) Regulations 1996.						
Entity Wide	8.2	Delegation Register	Statutory register of delegations of authority.	8.2.1 a	A review/amendment history is not currently maintained within the delegations register.	Breakdown of internal controls, Failure to identify risks or adequately treat identified risks. Invalid Delegation	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Following review of Delegations by Council, update the latest history data on each delegation to provide an accurate record of when the delegation was reviewed, amended and adopted.						
Entity Wide	8.2	Delegation Register	Statutory register of delegations of authority.	8.2.1 b	Our testing noted delegations made in writing were not recorded in the register of delegations as required by legislation.	Failure to identify risks or adequately treat risks Breakdown of internal controls	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	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.						
Entity Wide	8.2	Financial Interest Register	Records details required under the Act relating to financial circumstances of relevant persons.	8.2.2	Our inspection of the financial interest register noted the following matters: -Start dates for two relevant persons indicate primary returns have not been completed within three months of the documented start date as required by legislation; -Some returns contained blank fields / incomplete information; -Acknowledgements of a primary return for a relevant person was not recorded in the Financial Interest Register as required by legislation; and -Two primary returns were not available for our review.	Breakdown of internal controls, Compliance breach	Jul-22	Likely	Minor	Moderate	High	Prioritised action required	Review systems and procedures to ensure: -All returns are properly completed at the time of providing acknowledgements of receipt of the returns; -The acknowledgement of receipt of all returns occurs and are appropriately filed in the register of financial interests; -Undertake a thorough examination of files to locate returns and file within the register as required within the provisions of section 5.88 of the Local Government Act 1995, or take action to rectify and report this matter, as required by section 5.77 of the Local Government Act 1995.						
Local	8.2	Tender Register	Statutory register of tenders called.	8.2.3 a	We noted the tender register has not been updated on each occasion where a tender is called.	Breakdown of internal controls, Compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Update procedures to ensure the tender register is maintained to record details for each invitation to tender as provided by Regulation 16 & 17 of the Local Government (Functions and General) Regulations 1996. Where tenders are cancelled or not awarded the tender register should be updated and maintained accordingly.						
Local	8.2	Tender Register	Statutory register of tenders called.	8.2.3 b	Several tenders recorded in the tender register do not include the value of a summary of the amount awarded for successful tenders. The values of the awarded tenders were also not recorded in the resolutions made by Council.	Breakdown of internal controls, Compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Regulation 17 of the Local Government (Functions and General) Regulations 1996 requires the value of the consideration (or a summary of the value of the consideration sought in the tender) accepted by the local government to be recorded in the tender register. Procedures should be updated to ensure information required by legislation is properly recorded and maintained.						
Local	8.2	Tender Register	Statutory register of tenders called.	8.2.3 c	We noted an invitation to tender was not advertised as required by legislation. This matter of non compliance was reported to DLOSC once the matter of non compliance was detected.	Breakdown of internal controls, Compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Review systems and procedures to ensure all invitations to tender are advertised by statewide public notice in accordance with regulation 3B of the Local Government (Administration) Regulations 1996.						

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Local	8.2	Notifiable Gifts Register	Register of gifts received (other than as required under section 5.89A of the Local Government Act 1995).	8.2.4	The Code of Conduct for employees provides for the recording, storing and disclosure of information around gifts for employees other than the CEO, through a notifiable gifts register. A current register was not available for our inspection or published on the Shire's website as required by the Code of Conduct for Employees.	Breakdown of internal controls, Compliance breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Maintain a register to record details of notifications given in relation to gifts as required by the Code of Conduct for Employees, and publish on the Shire's official website as required.						
Local	8.2	Register of Hazardous Materials	Provide a record of properties under the Shire's control containing hazardous materials.	8.2.5	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 risks Breakdown of internal controls	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.						
Shire Wide	8.2	Risk Register	Provide a record of risk breaches and remedial action taken.	8.2.6	A risk register to reflect identified risks, and if they have been adequately treated exists, however is not routinely maintained. Staff representations indicated a more formal electronic risk management system is being investigated for risk register maintenance, monitoring and reporting.	Failure to identify risks or adequately treat risks Breakdown of internal controls	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	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.						
Shire Wide	8.4	Official Complaints Register	A complaint register is required to be maintained in accordance with Section 5.121 of the Local Government Act 1995.	8.4.1	The official complaints register is published on the Shire's official local government website as required by section 5.121(3) of the Local Government Act 1995, but does not appear to be current and up to date with the last recorded entry made in November 2010.	Breakdown of internal controls, Compliance breach	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	To ensure compliance with the Act, an official up to date complaints register should be maintained and published on the Shire's official local government website.						
Shire Wide	8.4	Community Complaints Procedures	Procedures for the recording, handling and resolution of customer complaints.	8.4.2	Community complaints appear to be reported through various mechanisms, including briefing / information sessions papers and work order reports, however a formal register is not routinely maintained. Staff representations indicated more formal performance management systems are being investigated to better monitor and review the status and resolution of complaints.	Failure to identify risks or adequately treat risks	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	To help ensure all complaints are adequately resolved, systems and processes should be updated to maintain routine monitoring of the status and action of complaints recorded in the complaints register to ensure they are adequately addressed.						
Local	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	Internal auditors have been appointed on a three year internal audit program. We note the Audit and Risk Committee do not have any powers or delegations (excepting powers conferred by legislation) and internal auditors report directly to the CEO.	Failure to identify risks or adequately treat risks	Jul-22	Likely	Moderate	Moderate	High	Prioritised action required	A level of risk exists where internal auditors are limited in their ability to report directly with the Audit and Risk Committee. The committee should have delegated authority to be able to meet with internal auditors directly, in order to ensure appropriate segregations are in place between management where reporting the findings of internal audits.						
Local	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	A review was last undertaken and finalised in October 2018, with the next review being undertaken in June 2022 which is outside of the time period as required by regulation 17 of Local Government (Audit) Regulations 1996.	Compliance Breach	Jul-22	Possible	Moderate	Moderate	Medium	Planned action required	Ensure the next review is undertaken within the next three years as required by legislation.						



**INTERNAL AUDIT
RISK MANAGEMENT**

Shire of Coolgardie

25 July 2022



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1. EXECUTIVE SUMMARY

1.1. Background

Risk management is an integral part of good management practice and an essential element of sound corporate governance. Risk management involves establishing an appropriate framework and culture, and applying a logical and systematic method to identify and manage risks by:

- complementing and communicating an organisational policy;
- balancing risk and opportunity within organisational policies;
- defining the organisation's Risk Appetite and Tolerance to inform decision making;
- training Council Members, Audit and Risk Committee Members, Management, and Officers in their risk management, and oversight responsibilities
- identifying, analysing, evaluating, treating, monitoring, and communicating risks associated with any activity, function or process in a way that will maximise the potential to achieve strategic objectives and minimise risks within Risk Appetite and tolerance.

Risk Management is a critical part of the First Line of Defense. This is represented in Figure 1 below.

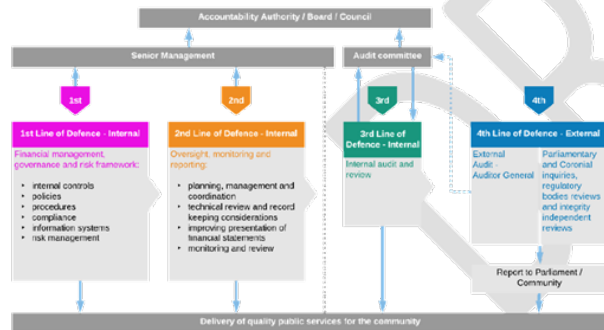


Figure 1: Four Lines of Defense Model. Source: office of the Auditor General

1.2 Objective and Scope

The objective of the review was to determine the compliance, efficiency, and effectiveness of the Risk Management Framework and its consideration of better practice principles.

The scope included consideration of:

- policy framework and practices
- implementation of the above policy framework
- awareness and training programs
- extent of consideration of better practice principles
- any opportunities for improvement and efficiency in processes, compliance, monitoring or otherwise

1.3. Summary of Work Performed

This review has been conducted in accordance with the 'International Standards for the Professional Practice of Internal Auditing' contained in the 'International Professional Practices Framework' issued by the Institute of Internal Auditors.

In our professional judgement, sufficient and appropriate audit procedures were completed, and appropriate evidence gathered to support the accuracy of the conclusions reached and contained in this report.

Risk Management Model

There are four elements which have been assessed within the internal audit engagement. This includes Culture and Capability, Risk Management Framework, Monitoring and Reporting, and Performance Measurement.

1. Capability and Culture	The risk culture as well as the capability of the people involved in risk management within the Shire.
2. Risk Management Framework	Comprehensive governance framework to manage risk within the Shire.
3. Monitoring and Reporting	Transparent monitoring and reporting the results of the risk management framework within the Shire.
4. Performance Measurement	Measurement of the performance of the Risk Management function within the Shire.



1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Findings

Moore Australia as an outsourced internal audit provider has completed a review of the Shire’s Risk Management function. This report presents our observations and recommendations arising from the review.

As stated above, there are four areas where we assessed the Risk Management function. These areas included: 1. Culture and Capability, 2. Risk Management Framework, 3. Monitoring and Reporting and 4. Performance Measurement. A summary of the observations against the risk ratings are identified in the Table 2 below.

Area	High	Medium	Low	Total	Recommendation
1. Capability and Culture		9	6	15	1-15
2. Risk Management Framework	5	5		10	16-25
3. Monitoring & Reporting		3	1	4	26-29
4. Performance Measurement		1	3	4	30-33
Total	5	18	10	33	

Table 2: Summary of Findings

The Observations and Recommendations are presented, together with Management comments in Section 7: Observations and Recommendations.

1.4 Risk Management Maturity Model

We have assessed the Risk Management function of the Shire using a maturity model. All categories within the maturity model have been assessed as inadequate.



Figure 2: Risk Management Maturity Model

1. EXECUTIVE SUMMARY (CONTINUED)

1.5 Key Observations

1. Capability and Culture

The Risk Management Capability and Culture is assessed as being Inadequate. There are improvement opportunities identified within the Risk Capability and Culture. These include:

- 1.1 **Resources** - There is no dedicated resource which has overall responsibility for the Shire's Risk Management function. There are two positions which have risk management responsibilities. They have other primary responsibilities and overall risk management is ancillary to those functions. There is also no documented assessment of the adequacy of the resources for Risk Management. Specific Risk Management responsibilities within the two position descriptions are not being performed.
- 1.2 **Strategy** - The Strategic Community Plan 2018 to 2028 was approved by Council on 24 April 2018 and is out of date. It references the superceded Risk Management Standard. It partway does references how effective risk management is in place to achieve the strategic objectives. There is no consideration of the current, new, and emerging risks and the strategy in place to management those risks. It references processes which are not in place within the Shire for risk management. It has Strategic Risks identified however they do not align to the Shire's Risk Management records, The Corporate Business Plan references the superceded Risk Management Standard.
- 1.3 **Audit and Risk Committee** - The Audit and Risk Committee Terms of Reference is included within the Shire of Coolgardie Policy Manual. It does not appear to align with better practice principles. It was last reviewed in October 2020 and so the next review is due and could incorporate these at this time.

The Audit and Risk Committee Terms of Reference outlines many risk management activities some of which which are not being performed including those relating to interna audit activities
- 1.4 **Annual Calendar and Work Plan** - There is no Annual Risk Management Calendar or Annual Work Plan which identifies the Risk Management activities to demonstrate that an effective Risk Management function is in place and to ensure that all deadlines are achieved on a timely basis.

- 1.5 **Awareness and Training** - There is no formal asawareness, induction and regular training of the Council, two Risk Officers, Audit and Risk Committee Members, Risk Owners, Staff, Contractors, Consultants or Volunteers. There is also no formal Risk Management Training Calendar. Training records are not being maintained by the Shire for sessions which were advised were held during the year. Risk Managemet training may include but not limited to include Public Interest Disclosure, Risk Management, Occupation Safety and Health, Business Continuity, Emergency Management, Incident Management and Disaster Recovery.
- 1.6 **Risk Experts** - There is limited evidence of the consideration of the need for Risk Experts within the Risk Management function. There was one example within the Shire when experts were used for risk management. This excludes legal counsel.
- 1.7 **Induction and Termination**- The Shire does not currently consider Risk Management upon induction and termination of employees. Provision of Awareness and Training on Risk management matters and identification of Risk Owners, Firewardens etc upon commencement and termination so new ones can be appointed is not performed.
- 1.8 **Budget** - There is currently no budget for Risk Management. A budget may include training and the use of experts when ideintified as a need by the Shire. There should be an annual budget for Risk Management to ensure the Shire has adequate resources and capability to effectively manage risk .
- 1.9 **Access to Risk Manager**- There is no direct access to the Risk Manager by Council, Management, Staff, Contractors and Volunteers. This is a key role for the Shire there should be direct access to raise safety hazards, additional risks, discuss risk mitigation strategies, seek risk experts, advice or training. This may be via a email address such as risk@coolgardie.wa.gov.au.

1. EXECUTIVE SUMMARY (CONTINUED)

1.5 Key Observations (continued)

2. Risk Management Framework

The Risk Management Framework is assessed as being Inadequate. There are improvement opportunities identified within the Risk Management Framework. These include:

- 2.1 **Risk Management Policy** - There is a Risk Management Policy however it does not reflect practice within the Shire. There are many responsibilities included within the Risk Management Policy which are not being performed. The overall person responsible for Risk Management within the Shire is not identified. Within the Annual Report it says this document is reviewed annually, but it hasn't been. It suggests the Shire is compliant with the Risk Standard but here is no evidence of a compliance assessment being performed.
- 2.2 **Risk Management Strategy and Risk Management Plan** - There is no Risk Management Plan as required by the Audit and Risk Committee Terms of Reference which sets out the proposed approach to Risk Management and how current, new, and emerging risks will be managed. There is a gap between the Risk Management Framework and the practical application of these to the Shire.
- 2.3 **Risk Procedures** - The Risk Procedures are not current and are not approved. There is no review period. The Risk Procedures does not effectively document what the procedures have to be performed to manage risk. The responsibilities outlined within the Risk Procedures are not being performed.
- 2.4 **Risk Register** - The Risk Register is out of date and does not adequately identify strategic risks but rather a number of business risks. It does not include better practice principles Risk Identification, Business Unit Risk Registers, Regular Risk Review, Evidence of controls effectiveness rating, Risk Assessment using an effective weighting of elements, Management of Shared Risks, Risk Categories, complete risks and controls rating of implemented controls. There is no comparison to Risk Appetite and Risk Tolerance. These observations limit the effectiveness of risk management.
- 2.5 **Risk Appetite Statement and Risk Tolerance Statement** - There is reference to a Risk Appetite and Risk Tolerance Statement within the Risk Management Policy however it is not stated, quantified or articulated to be an effective tool to compare the Residual Risk, Strategic Plan, or Risk Register. It is better practice for it to be quantified so it can be compared to Residual Risk and Treatment Actions identified to reduce Residual Risk to within Risk Appetite.
- 2.6 **Risk Management Framework** - The Draft Risk Management Framework (2019) has been provided for audit. This is out of date and has not been approved and has been in progress for many years. It has not been aligned to the relevant legislation and standards and does not fully outline the documentation which underpins the Risk Management Framework.

- 2.7 **Special Activities and Projects**- There are no formal processes for the identification and notification of special activities and project risks which may affect the Shire risk profile. There was a few projects which had elements of risk considered but not in a formal and consistent way.
- 2.8 **Assurance Mapping** - There is no Assurance Map within the Shire which identifies the assurance activities relevant to key risks within the Shire. This will give the Council, Audit and Risk Committee and Management an understanding of which Strategic Risks are not currently covered by recent assurance activities.
- 2.9 **Business Continuity** -A Business Continuity Plan, Disaster Recovery Plan, Incident Management Plan and emergency Management Plan was not provided for audit. These are key risk management goevrnance documents which are critical for the Shire to develop, maintain, test. Monitor and report.
- 2.10 **Risk Management Related Policies** There are numerous critical Risk Management related Plans, policies and procedires which are not in development or approved for implementation. This reduces the effective of risk manangement.
- 2.11 **Public Sector Commission PID Officer Directory**- The Public Sector Commission maintains a directory for all PID Officers int eh State and local govemnt. It does not have any PID Officer recorded for the Shire.

3. Monitoring and Reporting

Reporting Risk Management within the Shire is assessed as being Inadequate. There are improvement opportunities identified within Risk Management Monitoring and Reporting. These include:

- 3.1 **Council** - No comprehensive reporting of the Risk Management and/ or Audit and Risk Committee activities to the Council. Currently the Board only receives a copy of the Audit and Risk Committee minutes. Currently therte is no standard agenda for Risk Management.
- 3.2 **Audit and Risk Committee** No comprehensive reporting of the Risk Management activities to the Audit and Risk Committee as required by the Terms of Reference . Currently there is no standard agenda for Risk Management .
- 3.3 **Corporate Executive** No comprehensive reporting of the Risk Management activities to the Corporate Executive. Currently there is no standard agenda for Risk Management.



1. EXECUTIVE SUMMARY (CONTINUED)

1.5 Key Observations (continued)

4. Performance Measurement

Performance Measurement of Risk Management within the Shire is assessed as being Inadequate. There are improvement opportunities identified for Performance Measurement. These include:

- 4.1 **International Standard** The Risk Management Framework does not align to the Risk Management Standard ISO 31000: 2018 (Risk Standard). There is no assessment of extent of compliance with legislative provisions or the Risk Standard for Risk Management to identify non-compliance. There is references to the old Risk Management Standard 31000:2009 in the published Community Strategic Plan.
- 4.2 **Key Performance Indicators** - There are no Key Performance Indicators to measure performance of the Risk Management function.
- 4.3 **Surveys** There are no Surveys to measure performance of the Risk Management function. Surveys are not conducted of select Audit and Risk Committee, Risk Owners, Management, Staff, Contractors, Consultants and Volunteers to gauge feedback on the current Risk Management System.
- 4.4 **Better Practice Principles** There is no comparison of the Risk Management Framework to better practice principles to identify continuous improvement opportunities.

- 3.4 **Data Analytics** Data analytics has not been considered for use in reporting risk management activities. Data analytics can be a very powerful tool to identify risk areas for Management to focus their limited resources for maximum benefit.

1.6 Overall Observation

Risk Management is a critical role in the governance of the Shire. The Council, Audit and Risk Committee, Management, Staff, Contractors, Consultants and Volunteers all have a role to play to ensure it is resourced, efficient and effective.

The quantity and nature of the findings and recommendations demonstrates there is limited Risk Management maturity within the Shire. There is significant investment of resources and time required to improve the risk management culture, capability and risk management framework, monitoring and reporting and performance remeasurement. The Shire may not be able to adequately demonstrate, based on available documentation and existing practice, an effective Risk Management function which requires:

- there is a strategic approach to Risk Management which aligns with the Strategic Plan, Corporate Business Plan
- there are relevant, appropriate approved plans, policies, procedures and registers in place for the periodic awareness, training, identification, assessment, treatment, monitoring and reporting of risks inherent in the operations of the agency
- experts to assist Management where additional technical knowledge is required.

Please refer to [Section 7. Observations and Recommendations for further details.](#)

2. INTRODUCTION

In accordance with the Annual Internal Audit Plan, a review of Risk Management was conducted.

Effective Risk Management would expect to deliver the following outcomes:

- **Allocation of resources** - Allocation and utilisation of limited resources.
- **Action planning and accountability** - Ensuring that issues and opportunities are addressed within a formalised process within acceptable risk level
- **Assurance** - Providing transparency and comfort to stakeholders that risks and opportunities are being managed.
- **Business Intelligence** - Sharing business knowledge and insights.
- **Change agent** - Driving organisational change to improve business efficiency, effectiveness and healthy risk culture.
- **Compliance** - Needs to meet the requirements of relevant regulatory standards and policy obligations.
- **Decision making** - Providing a framework for making improved and informed risk-based decisions within defined parameters.
- **Strategic achievement** - Achieving Strategic objectives.

3. RISK

The review considered the following risks:

- Risk management is not efficient or effective;
- Risk management is not aligned to the Shire's Risk Management Strategy, Risk Management Plan, policy, procedures, guidelines, standards, legislation, or better practice principles;
- Staff are not adequately trained and/ or aware of Risk Management Framework Strategy, Plan, policies, procedures, guidelines, and/ or practices;

- Inadequate identification, management, monitoring and reporting of risks; and
- Operations are being performed and/ or decisions are being made outside of Risk Appetite.

Risk management process does not have adequate oversight by Executive or Audit and Risk Committee and/ or Council;

4. OBJECTIVE AND SCOPE

To assess the adequacy and effectiveness of the Shire's internal controls for Risk Management. The scope of this internal audit includes the following:

- Risk Management Framework, Risk Management Strategy, Risk Management Plan, Strategic Risk Register, Business Unit Risk Registers, Risk Appetite Statement, policies, procedures, and guidelines;
- Extent of compliance within the Shire with relevant Strategy, Plan, policies, procedures, and guidelines;
- Processes at induction and termination for Risk Owners, and use of risk experts;
- Extent of alignment of Shire's Risk Management Framework with better practice principles and Office of the Auditor General Reports (OAG), where relevant;
- Awareness programs and previous and future planned training on Risk Management;
- Reporting to Executive, Audit and Risk Committee, and Council
- Measurement of the effectiveness of the Risk Management function.

The period of review will be 1 July 2022 to 30 June 2022.

5. REVIEW APPROACH

The review is to be conducted primarily by applying discussion, observation, and review techniques, concentrating on:

- Planning meeting with Risk Management Process Owner to understand the current environment, challenges, and opportunities;
- Holding meetings with other relevant stakeholders, where appropriate;
- Review of documentation provided during the internal audit engagement;
- Exit meeting with Risk Management Process Owner to discuss emerging findings;
- Issue of Draft Internal Audit Report;
- Receipt of Management Comments for consideration by Moore Australia;
- Issue of Final Internal Audit Report to Management; and
- Attendance and presentation of the final report to the Audit and Risk Committee, if required.

We also considered the Australian National Audit Office performance audit titled The Management of Risk by Public Sector Entities tabled in Parliament by the Auditor General, Mr Grant Hehir in August 2017.

This audit has been conducted in accordance with the 'International Standards for the Professional Practice of Internal Auditing' contained in the 'International Professional Practices Framework' issued by the Institute of Internal Auditors. In our professional judgement, sufficient and appropriate audit procedures were completed, and appropriate evidence gathered to support the accuracy of the conclusions reached and contained in this report.

We have used a risk rating to identify the impact and priority of the finding. Definitions of the risk ratings are outlined in [Appendix 1 - Key to Significance of Risk Ratings](#).

We have reviewed key documents of the Shire in the performance of this internal audit.

6. ACKNOWLEDGEMENT

We have met with key personnel within the Shire to perform the internal audit engagement. We would like to thank the following personnel for their assistance in the conduct of this audit.

- Mr James Trail Chief Executive Officer
- Ms Bec Horan -Coordinator Major Projects, HR and Governance

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7. OBSERVATIONS AND RECOMMENDATIONS

The following section describes the key results of the internal audit of the Shire of Coolgardie Risk Management function. The reporting is by exception, unless otherwise noted and does not provide details of the good practice that was observed within the Shire

1. Capability and Culture		Rating of Finding
Resources		
Finding 1.1 Resources		Medium
<p>It is critical to effective risk management, for their to be a dedicated resource for risk management. It does not have to a full time position, however the Shire's should have someone internally accountable and responsible for the risk management function. Experts can be called upon to complement resources and additional resources can be used to support this person.</p> <p>The current resources for the Shire's Risk Management function are:</p> <ul style="list-style-type: none"> Coordinator Major Projects and Governance Director Commercial Services <p>The Shire's website has the Coordinator Major Projects and Governance as responsible for Risk Management however:</p> <ul style="list-style-type: none"> they were not aware of their role and responsibility they don't have a current JDF which includes risk management as their responsibility. <p>We have been advised that the Director Commercial Services has a support role for the broader risk management function however only Occupational Safety and Health responsibilities were included in their JDF.</p> <p>There has not been a formal review of the resources required for risk management activities within the Shire which is commensurate with the Risk Appetite of the Shire.</p> <p>Implications Risk Management may be ineffective without a sufficiently resourced central coordination.</p> <p>Management Comment</p> <p>The risk management function is being reviewed as part of the proposed changes to the organizational structure. Furthermore the Shire has invested in a reporting and monitoring tool/software called Pulse.</p>		



7. OBSERVATIONS AND RECOMMENDATIONS

1. Capability and Culture			
Resources			Rating of Finding
Finding 1.1 Resources			Medium
Recommendations	Agreed Actions	Action Owner	Target Date
<ol style="list-style-type: none"> Consider the appointment of dedicated Risk Manager for the Shire who is responsible for the coordination of Risk Management activities. This can be with other roles and responsibilities. Regularly consider the resourcing of the Risk Management function, and if it currently meets expectations. This may include the convening of a Risk Management Group to support the Risk Manager. Updating JDF's to ensure they specifically include risk management activities. 	Recommendations 1 and 2 will be considered	CEO	November 2022

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6. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. CapaShire and Culture			
Strategy			Risk Rating
Finding 1.2	Strategy	Medium	
<p>The achievement of Strategic Objectives is critically influenced by the effective management of Strategic Risks. There is a need to understand the relationship between the two and clearly articulate the emerging risks and how they are going to be managed so that they don't impact of the achievement of the Strategic Objectives.</p> <p>The Strategic Community Plan 2018 to 2028 was approved by Council on 24 April 2018 and is out of date. It is better practice to update these on a regular basis.</p> <p>Further to this, the Strategic Community Plan references the superceded Risk Management Standard AS NZ ISO 31000: 2009. It partway does references how effective risk management is in place to achieve the strategic objectives. There is no consideration of the current, new, and emerging risks and the strategy in place to management those risks. It references processes which are not in place within the Shire for risk management. It has Strategic Risks identified however they do not align to the Shire's Risk Management records.</p> <p>The Corporate Business Plan also references the superceded Risk Management Standard AS NZ ISO 31000: 2009.</p> <p>Implication Risk Management may not be effective.</p> <p>Management Comment This is being considered as part of the major review of the Community Strategic Plan</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
3. Review and update the Strategic Community Plan and document current and emerging risks and how effective Risk Management is in place to achieve the Strategic Objectives, Vision, Mission, and Purpose. Update references to the risk standard.	Recommendation 3 to be considered	Deputy CEO	October 2022
4. Review and approve the Corporate Business Plan and ensure it aligns with the Strategic Risk Register. Update references to the risk standard.	Recommendation 4 to be considered	Deputy CEO	November 2022

7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. CapaShire and Culture			
Audit and Risk Committee			Risk Rating
Finding 1.3 Audit and Risk Committee			Medium
<p>The Audit and Risk Committee has general oversight of risk management activities within the Shire. The Terms of Reference should be contemporary, be performed within the Shire on a timely basis. It was last reviewed in October 2020 and is out of date as it is required to be reviewed annually.</p> <p>The Terms of Reference are included within the Policy Manual of the Shire however does not align to better practice principles such as those provided by the Office of the Auditor General.</p> <p>The Terms of Reference includes many risk management activities which are not currently being performed within the Shire. It is important for the Audit and Risk Committee to perform all aspects of the Terms of Reference to ensure effective oversight of risk management.</p> <p>An Audit and Risk Committee Calendar is the planned Agenda Items which are planned to be discussed at the scheduled Audit and Risk Committee meetings.</p> <p>Implications Sound governance reflecting better practice principles for Risk Management may not be implemented.</p> <p>Management Comment Management acknowledge the Finding and agreed to implement</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
<ul style="list-style-type: none"> 5. Review the Audit and Risk Committee Terms of Reference to ensure it aligns with better practice principles 6. Ensure the role and responsibility of the Audit and Risk Committee is being performed efficiently and effectively each year. 7. Develop and implement an Audit and Risk Committee Calendar 	Recommendations 5-7 agreed to be implemented	Deputy CEO	October 2022



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. CapaShire and Culture			
Annual Work Plan and Calendar			Risk Rating
Finding 1.4	Annual Work Plan		Low
<p>A Risk Management Annual Work Plan is good governance and critical for the effective delivery of all risk management activities on a timely basis. It has the outcomes and activities identified, prioritised, performed with the status reported to Management on a timely basis. There is currently no Risk Management Annual Work Plan within the Shire. Activities within the Risk Management Policy are not performed as risk management activities are not organized</p>			
<p>Implication There is a risk the Risk Management activities are not performed as they are not balanced with other work priorities of the Risk Manager.</p>			
<p>Management Comment Management will consider the finding.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
<p>8. Develop, approve, document, monitor and report on a Risk Management Annual Work Plan, which identifies the Risk Management events that are scheduled to occur to ensure that all deadlines are met on a timely basis.</p>	<p>Recommendation to be considered</p>	<p>Deputy CEO</p>	<p>March 2023</p>

Search		Executive Summary	Introduction	Four Lines of Defense	Risk	Objective and Scope	Review Approach	Observation and Recommendations	Other	Appendices
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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. Capability and Culture			
Awareness and Training			Risk Rating
Finding 1.5	Awareness and Training		Low
<p>Formal Risk Management training is essential to ensure everyone within the Shire understands their role and responsibilities for risk management. Training at induction and at regular intervals is good governance.</p> <p>We understand there is no Risk Management Future Training Program. We also understand there has been no induction or regular training of Audit and Risk Committee Members, Risk Managers, Risk Owners, Staff, Contractors, Consultants or Volunteers generally on Risk Management. Training records are not maintained for sessions which are held during the year.</p> <p>Further to this there has been no training these key Risk Management areas which requires regular training on the following:</p> <ul style="list-style-type: none"> • Business Continuity Management, Disaster Recovery, Emergency Management, Incident Management • Occupational Safety and Health • Public Interest Disclosures • Risk Management <p>Implication</p> <p>Staff may not be aware and trained of their role and responsibilities or be capable to perform risk management</p> <p>Ineffective risk management within the Shire</p>			
Management Comment			
<p>Finding 1.5 - Risk Level (LOW) in report, Re: Emergency Management and Incident Management - OHS and Business Continuity - Risk Management. Relevant risk training at staff inductions was due to be updated however resource changes within the HR department impacted on that timeline. It had already been added as an action to the WHS action plan. Hazard and Risk Training has also occurred in the past on a number of occasions however it may not have been formally recorded. SLAM Books (Risk Assessments) have been utilised in the business for some time and further training around this was occurring across the business in July. (This had already been identified to be needed in April /May as a refresher for staff and new staff). Emergency Management (in terms of Emergency Evacuation) is in progress of being updated via LGIS however there have been some unfortunate delays. It is still on the WHS Action plan. Incident Management is currently being addressed via training on the MYOSH system with new Shire WHS Lead which will then be rolled out to staff. Staff training on their roles and responsibilities had also been highlighted before as being needed and is currently being worked through with HR. Contractor and Visitor Management was also on the agenda to be discussed in WHS Site July's visit. (which had been identified as needed back in Early 2022 however we were waiting on legislation changes and being able to get to site again due to covid)</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
9. Develop, approve, monitor and report on a Risk Management Future Training Program.	Recommendation to be considered	Coordinator Major Projects, HR & Governance	May 2023
10. Perform induction and regular risk management training for Risk and Governance Committee Members, Risk Manager, Risk Owners, Management, Staff, Contractors, Consultants, and Volunteers. This	Recommendation to be considered	Coordinator Major Projects, HR & Governance	May 2023



Search	Executive Summary	Introduction	Four Lines of Defense	Risk	Objective and Scope	Review Approach	Observation and Recommendations	Other	Appendices
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can be performed via online training and be integrated with other training performed by the Shire.

- 11. Retain documented evidence of all training delivered including venue, presenter, attendees and hours. This can then be available for quality assurance and audit purposes.

7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. Capability and Culture			
Risk Expert			Risk Rating
Finding 1.6	Risk Expert		Low
<p>Risk Management Experts can assist with effective risk management to complement the current resources within the Shire. They can be used on non-routine or complex risks, projects, or initiatives. It is good governance to consider whether Risk Experts are required for the Shire on a regular basis. This will ensure no gaps in risk management are identified.</p> <p>If no experts are required, then this can be documented. We are not including Legal Counsel in this situation.</p> <p>There is no documentation of consideration of the need for an expert with an appropriate knowledge of risks to assist with the identification or management of current or emerging risks within Risk Appetite of the Shire.</p> <p>Implication</p> <p>Risk Management may not be effective if the Shire does not have the expertise to manage a specific or collective risks.</p>			
Management Comment			
Management to consider Finding			
Recommendations	Agreed Actions	Action Owner	Target Date
12. Document consideration of the need for a Risk Expert in the identification and management of current key strategic risks. This can be included in the Strategic Risk Register to satisfy this recommendation.	Recommendation 12 to be considered	CEO	April 2023



Search		Executive Summary	Introduction	Four Lines of Defense	Risk	Objective and Scope	Review Approach	Observation and Recommendations	Other	Appendices
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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. Capability and Culture			
Induction and Termination			Risk Rating
Finding 1.7	Induction and Termination		Medium
<p>Induction and termination processes are critical times in the governance of the Shire. Induction processes are the time to perform awareness and training of new staff in Risk Management. Termination processes are the time to identify Risk Management responsibilities to ensure these are transferred to others within the Shire.</p> <p>Risk Owners are responsible for the effective management of the specific risk. A Risk Owner ensures there is accountability for the residual risk is within risk appetite. Other positions within the Shire also are important for Risk Management such as Fire Wardens, Business Continuity Plan Members, Incident Management Team Members and Crisis Management Team Members just to name a few.</p> <p>When new Management and staff join the Shire they are not made aware and trained on Risk Management roles and responsibilities. Induction Checklists do not include Risk Management. When Management and staff leave the employment of the Shire, their Risk Management responsibilities are not identified and transferred to others within the Shire. A Termination Checklist is used however it does not currently consider Risk Management roles and responsibilities.</p> <p>Implication</p> <p>Risks may not be managed in the absence of a Risk Owner.</p> <p>Positions may be left vacant until an event occurs which may leave catastrophic consequences.</p>			
Management Comment			
Management agrees to implement this Finding			
Recommendations	Agreed Actions	Action Owner	Target Date
13. Review the Termination Checklist and ensure that any Risk Management positions held are identified and new people are allocated to these positions.	Recommendation agreed to be implemented	Coordinator Major Projects, HR & Governance	November 2022



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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. Capability and Culture			
Budget			Risk Rating
Finding 1.8	Budget		Medium
<p>An approved budget for key areas of the Shire is critical to ensure that the functions are performed efficiently and effectively. Experts may be required to assist Risk Owners and Management with identification, assessing, monitoring and reporting of risk. External training may be required for the Council, Management, Staff, Risk Manager, Compliance Officer, Risk Owners, Contractors, Consultants or Volunteers. A budget is therefore a critical component of Risk Management. Training is required to ensure that staff understand their roles and responsibilities. This may need to be sourced externally at a cost.</p> <p>There is currently no separate budget for Risk Management. There should be an annual budget for Risk Management to ensure that the Shire has adequate resources to effectively manage risk within Risk Appetite.</p> <p>Implication</p> <p>Risk management activities may not be performed if there is an inadequate budget</p> <p>Risk experts may not be sought if there is not an approved budget .</p> <p>Risk management awareness and training may not be performed if there is not an approved budget</p>			
Management Comment			
Budget funding was allocated to risk management in 2022/2023 Annual Budget. A specific allocation was made for the purchase and implementation of risk management software.			
Recommendations	Agreed Actions	Action Owner	Target Date
14. Consider a separate budget amount for Risk Management in the next budget setting process.	Recommendation to be implemented	CEO	April 2023



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

1. Capability and Culture			
Access to Risk Manager			Risk Rating
Finding 1.9	Access to Risk Manager		Low
<p>It is good governance for there to be access to a Risk Manager to identify risks, hazards, risk training needs, risk experts etc.</p> <p>There is no direct access to the Risk Manager by Council, Management, Staff, Contractors, and/ or Volunteers via a telephone number or general email address from the intranet site such as risk@coolgardie.wa.gov.au. It is expected that staff would not know the individual names of the Risk Manager and therefore would not be able to liaise with them email address at the Shire.</p> <p>Implication</p> <p>Risks and hazards may not be identified to the Shire</p> <p>Risks experts and training may not be sought by staff</p> <p>Risk advice may not be sought regarding the risk identification and management.</p>			
Management Comment			
Management support this finding.			
Recommendations	Agreed Actions	Action Owner	Target Date
15. Provide the contact details and direct generic email address of the Risk Manager on the Risk Management intranet site for staff to have direct contact.	Agree to implement this recommendation	Coordinator Major Projects, HR & Governance	March 2023

7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework		Risk Rating
Risk Policy		
Finding 2.1 Risk Policy		High
<p>A Risk Management Policy is a key governance document within the Risk Management Framework to set out the approved approach and support for Risk Management within the Shire and the roles and responsibilities. A few observations relating to the Risk Management Policy include:</p> <ul style="list-style-type: none"> The Risk Management Policy is dated October 2020 and is out of date. It is supposed to be reviewed every years as stated within the Annual Report. There is reference to Risk Management Procedure and Risk Profiles but no other risk documents. Risk Appetite could be redefined as it is too high level and needs to be defined to be useful to Management in making decisions. References the Risk Management standard for their process but no evidence it is being applied in the Shire. Risk Management Strategy is not in place. Risk Management Plan is not in place. Risk Summary Report is not in place Risk Reports to the Audit Committee on a regular basis not evidenced For the Audit and Risk Committee <ul style="list-style-type: none"> requests and reviews reports on risk management on a semi-annual basis (minimum) or as required depending on the nature of the risks is not performed. Assess effectiveness of risk control measures is not performed Reference to Audit and Risk Committee. Audit Committee referenced in the Policy Manual. Not consistent. Reference to being consistent with AS/ NZ ISO 31000:2018 Standard for Risk Management. Page 109 says it is compliant with AS/NZS ISO 31000:2018. Reference to Risk Management Process -Nothing else such as Risk Register, FCC BCP Policy, The Risk Matrix is cut off within the document Overall Risk Officer is not identified. There is not a person identified having responsibility for Risk Management. This is important for authority and accountability. <p>Implication Ineffective Risk Management</p> <p>Management Comment Management do not agree with the comment that risk management is ineffective. Management of OHS Risk is done regularly and an external resource has been engaged to assist in managing risk. Furthermore any risk issues are brought to the attention of management. The main area the Shire is struggling in has been the reporting of risk to the audit committee. The Shire has purchased and is currently implementing an enterprise risk management system Pulse. This will significantly improve the reporting and monitoring of risk across the organisation.</p>		



Search	Executive Summary	Introduction	Four Lines of Defense	Risk	Objective and Scope	Review Approach	Observation and Recommendations	Other	Appendices
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Recommendations	Agreed Actions	Action Owner	Target Date
16. Develop, approve and review on a timely basis a Risk Management Policy which reflects better practice principles and ensure the policy is implemented.	This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Risk Management Policy to be done	CEO	November 2022

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Strategic Risk Management Plan			Risk Rating								
Finding 2.2	Strategic Risk Management Plan		Medium								
<p>A Strategic Risk Management Plan is a critical document in a local government which identifies the current risk posture state and desired risk posture state and how you are going to achieve the desired risk posture state. A Strategic Risk Management Plan is a current requirement of the Audit and Risk Committee Terms of Reference.</p> <p>There is no Strategic Risk Management Plan which identifies:</p> <ul style="list-style-type: none"> • summary of current material and emerging risks affecting or potentially affecting the Shire; • approach to managing these risks; • policies and procedures dealing with Risk Management matters; • the role and responsibilities of the Risk Management function; • description of the risk governance relationship between the Council, Committees and Management, with regard to the Risk Management Framework; • outline of the approach to ensure that all Management, Staff, Contractors and Volunteers have an awareness of the Risk Management Framework to promote a mature risk culture • extent of compliance with legislative requirements. • proposed training • proposed use of experts <p>Implication Risk management may not be effective and managed within risk appetite.</p> <p>Management Comment Management note that there is no Strategic Management Plan which identifies the points above.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>17. Develop, a Strategic Risk Management Plan and review this at least every 2 years or when material risks are identified.</td> <td>This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Strategic Risk Management Plan to be done</td> <td>CEO</td> <td>November 2022</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	17. Develop, a Strategic Risk Management Plan and review this at least every 2 years or when material risks are identified.	This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Strategic Risk Management Plan to be done	CEO	November 2022
Recommendations	Agreed Actions	Action Owner	Target Date								
17. Develop, a Strategic Risk Management Plan and review this at least every 2 years or when material risks are identified.	This recommendation is agreed to be implemented. The Shire will develop an RFQ for a Strategic Risk Management Plan to be done	CEO	November 2022								

7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework			
Risk Management Procedures			Risk Rating
Finding 2.3	Risk Management Procedures		Medium
<p>Risk Management Procedures are a key governance document which sets out the approved tasks which should be performed in the Risk Management function. It should be detailed in enough so that a new staff member can perform the tasks in an efficient and effective manner.</p> <p>There are no approved Risk Management Procedures for staff to follow to conduct risk management activities.</p> <p>Implication Procedures may not be performed in an efficient and effective manner</p> <p>Management Comment</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
18. Develop and approve a Risk Management Procedure which are effective for staff to perform risk management responsibilities	This recommendation is agreed to be implemented. The Shire will develop a risk management procedure when requesting RFQ for Policy and Risk Management Plan	CEO	November 2022

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework	
Strategic Risk Register	Risk Rating
Finding 2.4 Strategic Risk Register	High
<p>A Strategic Risk Register is a key governance document which sets out the key Strategic Risks in the Shire, and provides a risk rating of the inherent and controls risks. It documents the key controls relevant to each strategic risk and the treatment action plans to bring the Strategic Risk within Risk Appetite and Tolerable Risk. A few observations relating to the Strategic Risk Register include:</p> <p>Risk Identification The identification of Strategic Risks is those risks which are key inhibitors to not achieving the Strategic Objectives of the Shire. The Strategic Risk Register includes a mixture of operational and tasks which have to be performed, and issues within the Shire and not Strategic Risks. There are 76 risks which in our view is not manageable. As the Strategic Risk Register has been prepared on a different basis as identified above, there is a lot of Strategic Risks which have not been identified and therefore may not currently be managed.</p> <p>Business Unit Risk Registers Business Unit Risk Registers are used to underpin the Strategic Risk Register and provide further detail of risks at a Business Unit Level. Business Unit Risk Registers are not used within the Shire. The Shire will therefore be unable to manage those risks effectively.</p> <p>Risk Rating The current risk register is not in the better practice format which includes risk rating (by inherent risk and consequence), risk rating before controls, controls, risk rating after controls and before treatment action plans, treatment action plans, residual risk rating.</p> <p>Shared Risks Shared risks are those which are not owned by one Risk Owner or where more than one organisation is exposed to or can significantly influence the risk. Shared risks require shared oversight management, monitoring and reporting. Within the Strategic Risk Register the Shire has not identified shared risks with third parties and there is no evidence this information has been used to inform decision making.</p> <p>Controls Within the Risk Register it identified controls but there is no mention of the existence or evidence of these controls to substantiate the controls rating.</p> <p>Risk Appetite and Tolerable Risk The Strategic Risk Register should calculate a Residual Risk Rating for each Strategic Risk and then compare this to the Risk Appetite for each Strategic Risk. Within the Strategic Risk Register, the Shire does not document and compare the Residual Risk Rating and compare this to Risk Appetite and Tolerable Risk to see if the Shire is within Risk Appetite and what (if any) additional treatment</p> <p>Strategic Risk Review The Strategic Risk Register is out of date and was last updated in 2021. It is the Shire policy within the Risk Management Framework for Risks to be reviewed on an annual basis. We believe there needs to be a more regular review of risks to ensure that risks are being actively managed and it is informing decision making. Regular review of risks (such as on a quarterly basis is an effective governance measure. action plans need to be considered to bring the Shire within Risk Appetite.</p> <p>Implications: Risk management may not be effective. Shared risks may not be identified and managed within risk appetite.</p>	

Business Unit risks may not be identified and managed within risk appetite
Decisions may be made outside risk appetite.

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework			
Risk Register (Cont.)			Risk Rating
Finding 2.4 Risk Register (cont.)			High
Management Comment			
<p>Management notes that;</p> <ul style="list-style-type: none"> Risk management may not be effective. Shared risks may not be identified and managed within risk appetite. Business Unit risks may not be identified and managed within risk appetite Decisions may be made outside risk appetite. <p>It is proposed that most of these issues will be dealt with the implementation of the Pulse Risk Software. The software will register, report on and measure risk. Implementation of Pulse Risk has commenced. First report from the system will go to the Audit Committee in November 2022.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
<p>19. Review the current Strategic Risk Register and consider:</p> <ul style="list-style-type: none"> regularly consider the identification of risks during the year. where Business Unit Risk Registers can be used as an effective risk management tool. more regular reviews of risks, more than annually regular assessment of the shared risks and the impact on the Shire. the controls which are implemented effectively to arrive at the controls rating. consider Risk Appetite and Tolerable Risk 	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022
	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022
	Will be included as part of the implementation of Pulse Risk. Will be reporting to audit committee quarterly	Deputy CEO	December 2022
	Will be included as part of the implementation of Pulse Risk. Monthly reports to the executive management team	Deputy CEO	December 2022
	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022
	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022



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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Risk Appetite, Risk Tolerance Statements											
Finding 2.5	Risk Appetite, Risk Tolerance Statements		High								
<p>It is critical for effective Risk Management to articulate what is the Shire's Risk Appetite for each Strategic Risk. This is so that it can compare the monitor the residual risk level for each Strategic Risk and compare this to the Risk Appetite to ensure it remains within Risk Appetite. It is also important to articulate a Risk Tolerance Statement to document the levels of risk taking acceptable to achieve a specific objective or manage a category of risk.</p> <p>There is a reference to a Risk Appetite and Risk Tolerance within the Shire Risk documents however they are not specifically determined by Strategic Risk to enable more risk based decisions are made within acceptable levels set by the SHire. They therefore cannot be compared to determine if the Shire is operating within or outside Risk Appetite.</p> <p>Implication Risk may not be managed within acceptable levels to the Council.</p> <p>Management Comment It is proposed that most of these issues will be dealt with the implementation of the Pulse Risk Software. The software will register, report on and measure risk. Implementation of Pulse Risk has commenced. First report from the system will go to the Audit Committee in November 2022.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>20. Develop, approve, monitor and report on a Risk Appetite, Risk Tolerance within the Shire and then consider these in relation to the Residual Risk rating and whether the Shire are within the Risk Appetite and Risk Tolerance.</td> <td>Will be included as part of the implementation of Pulse Risk</td> <td>Deputy CEO</td> <td>December 2022</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	20. Develop, approve, monitor and report on a Risk Appetite, Risk Tolerance within the Shire and then consider these in relation to the Residual Risk rating and whether the Shire are within the Risk Appetite and Risk Tolerance.	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022
Recommendations	Agreed Actions	Action Owner	Target Date								
20. Develop, approve, monitor and report on a Risk Appetite, Risk Tolerance within the Shire and then consider these in relation to the Residual Risk rating and whether the Shire are within the Risk Appetite and Risk Tolerance.	Will be included as part of the implementation of Pulse Risk	Deputy CEO	December 2022								



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Risk Management Framework			Risk Rating								
Finding 2.6 Risk Management Framework			High								
<p>A Risk Management Framework is the governance document which outlines the risk documents and how they interrelate to management risks within Risk Appetite. The Shire has a draft Risk Management Framework in place commenced in 2019. A few observations about the draft Risk Management Framework is:</p> <ul style="list-style-type: none"> The draft Risk Management Framework is not approved and dated 2020 and is out of date. The Risk Management Framework does not seem cohesive and appears to have bolted a few concepts together. <p>Implication Ineffective Risk Management Framework Non-compliance with standards</p> <p>Management Comment Management disagrees with the comment that the Risk Management Framework is ineffective. Risk is managed within the organization on an adhoc basis. Risk is assessed in all projects the Shire undertakes. Management note that the Risk Management Framework needs to be reviewed an updated.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>21. Develop, maintain, review, monitor and report a Risk Management Framework in accordance with relevant legislation, standards and better practice principles</td> <td>This recommendation is agreed to be implemented. The framework will be developed as part of and RFQ.</td> <td>CEO</td> <td>November 2022</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	21. Develop, maintain, review, monitor and report a Risk Management Framework in accordance with relevant legislation, standards and better practice principles	This recommendation is agreed to be implemented. The framework will be developed as part of and RFQ.	CEO	November 2022
Recommendations	Agreed Actions	Action Owner	Target Date								
21. Develop, maintain, review, monitor and report a Risk Management Framework in accordance with relevant legislation, standards and better practice principles	This recommendation is agreed to be implemented. The framework will be developed as part of and RFQ.	CEO	November 2022								

7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework			
Special Activities and Project Risks			Risk Rating
Finding 2.7	Special Activities and Project Risks		Medium
<p>Special activities and projects within the Shire can create additional and temporary risks which need to be identified, assessed, monitored, and reported within Risk Appetite.</p> <p>There is no formal policy for risks relating to a project or special activities to be identified, risk assessed, monitored, and reported within the Shire.</p> <p>There is a risk that activities can be performed with no risk assessment and impact on the Shire activities.</p> <p>Implication Risks may not be effective or managed within Risk Appetite.</p>			
<p>Management do not agree with the comment that risk may not be effective or managed within Risk Appetite. Risks associated with all projects and services are assessed. This will be further enhanced with regular reporting from Pulse Risk</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
22. Develop an approved process for risk assessment to be performed for special projects and activities that want to be undertaken within the Shire	This recommendation will be considered as part of the implementation of Pulse Risk	CEO	February 2023



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Assurance Map			Risk Rating								
Finding 2.8 Assurance Map			Medium								
<p>An Assurance Map identifies the assurance activities in relation to each of the Strategic Risks to identify any gaps in coverage/ over assurance against strategic risks/ risks to Strategic Plans. It can also provide a view on the cost of controls if assurance is mapped against key controls. It can also be used to map out detailed compliance requirements. Activities are then documented to cover/ mitigate all areas identified.</p> <p>There is no Assurance Map within the Shire. The Shire does not know which of the Strategic Risks are being not being mitigated by assurance activities, the cost of controls and compliance requirements which are being assured. The gaps in the Strategic Risk Assurance Map are then not informing the Shire's Strategic Internal Audit Plan.</p> <p>Implication</p> <p>Potentially Ineffective decision making Resources not being applied efficiently or effectively Ineffective Strategic Internal Audit Plan</p> <p>Management Comment</p> <p>Management does not agree with the comments that potentially ineffective decision making is occurring and resources are not being applied efficiently or effectively. Shire management is conscious of the significance of risk in decision making. Furthermore resources across the board are extremely difficult to get inclusive of the whole sector. The Shire is doing the best it can with the resources it has.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>23. Consider the use of an Assurance Map to provide comfort to Management as to where the assurance is being provided against each Strategic Risk, cost of control, and compliance requirement. Identify which Strategic Risk have no assurance provided and use this to inform the Strategic Internal audit Plan. It is important that assurance is provided and documented in relation to the four lines of defence. These are: the assurances gained from Management (i.e. that designed controls are being implemented on a day-to-day basis); the assurances gained from the Risk Management and compliance functions; and the Internal Audit function or other External Audit/ Assurance provider or Specialist.</td> <td>This recommendation is agreed to be considered as part of the RFQ for a risk management framework.</td> <td>CEO</td> <td>November 2022</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	23. Consider the use of an Assurance Map to provide comfort to Management as to where the assurance is being provided against each Strategic Risk, cost of control, and compliance requirement. Identify which Strategic Risk have no assurance provided and use this to inform the Strategic Internal audit Plan. It is important that assurance is provided and documented in relation to the four lines of defence. These are: the assurances gained from Management (i.e. that designed controls are being implemented on a day-to-day basis); the assurances gained from the Risk Management and compliance functions; and the Internal Audit function or other External Audit/ Assurance provider or Specialist.	This recommendation is agreed to be considered as part of the RFQ for a risk management framework.	CEO	November 2022
Recommendations	Agreed Actions	Action Owner	Target Date								
23. Consider the use of an Assurance Map to provide comfort to Management as to where the assurance is being provided against each Strategic Risk, cost of control, and compliance requirement. Identify which Strategic Risk have no assurance provided and use this to inform the Strategic Internal audit Plan. It is important that assurance is provided and documented in relation to the four lines of defence. These are: the assurances gained from Management (i.e. that designed controls are being implemented on a day-to-day basis); the assurances gained from the Risk Management and compliance functions; and the Internal Audit function or other External Audit/ Assurance provider or Specialist.	This recommendation is agreed to be considered as part of the RFQ for a risk management framework.	CEO	November 2022								



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Business Continuity			Risk Rating								
Finding 2.9 Business Continuity			High								
<p>A Business Continuity Policy is a key governance document within a local government which identifies the policy position, approach, support role and responsibility. The Business Continuity Management is the plan to be activated when there is a business disruption. A Business Impact Analysis is an assessment of the Shire as to the impact that certain disruption events may have on the Shire and what the activation plan will be in that circumstance.</p> <p>A few observations from the review of Business Continuity Response Plan is as follows:</p> <ul style="list-style-type: none"> There is no Business Continuity, Emergency Management, Incident Response and Disaster Recovery Policy, Procedures or Plans The Shire does not have a Business Impact Analysis which underpins the Business Continuity Management Plan. There is no evidence of testing or training of the above documents. <p>Implication The Shire will not be able to manage the effects of a disaster, emergency, incident, business disruption event with Risk Appetite and Risk Tolerance.</p> <p>Management Comment The Shire has commenced work on a draft Business Continuity Plan. Management will ensure that issues raised above are included in an RFQ.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>24. Develop, implement, monitor and report a Business Continuity, Emergency Management, Incident Response, Disaster Recovery Policy Procedures and Plans with supporting documents such as Business Impact Analysis within the Shire and the extent of compliance with the Standard and whether there are improvement opportunities.</td> <td>An RFQ will be requested by the Shire to achieve this recommendation</td> <td>CEO</td> <td>March 2023</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	24. Develop, implement, monitor and report a Business Continuity, Emergency Management, Incident Response, Disaster Recovery Policy Procedures and Plans with supporting documents such as Business Impact Analysis within the Shire and the extent of compliance with the Standard and whether there are improvement opportunities.	An RFQ will be requested by the Shire to achieve this recommendation	CEO	March 2023
Recommendations	Agreed Actions	Action Owner	Target Date								
24. Develop, implement, monitor and report a Business Continuity, Emergency Management, Incident Response, Disaster Recovery Policy Procedures and Plans with supporting documents such as Business Impact Analysis within the Shire and the extent of compliance with the Standard and whether there are improvement opportunities.	An RFQ will be requested by the Shire to achieve this recommendation	CEO	March 2023								

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

2. Risk Management Framework											
Risk Management Framework			Risk Rating								
Finding 2.10	Risk Management Related Policies		Medium								
<p>There is a few other Risk Related Policies which are very important for an effective Risk Management function. These include PID Policy, PID Procedures, PID Director, OSH Policy, Information Management Policy, Cybersecurity Policy and Procedure, ESG, Compliant Handling Records Management Policy and Procedure.</p> <p>Some observations from review of the risk related documents included:</p> <ul style="list-style-type: none"> The PID Policy does not comprehensively align to the Public Sector Commission Guidelines. It was not included in the Policy Manual published on the Shire's website. There were no PID Procedures documented at the Shire The Public Sector Contact Directory does not have anyone from the Shire recorded as a PID Officer. Moore Australia immediately advised the CEO and Coordinator Projects, HR and Governance Manager Finance on 19 July 2022 to provide an immediate opportunity to update these records. The OSH Policy was provided to Moore Australia with no review date. It was not included in the Policy Manual published on the Shire's website. The New Work Health and Safety Act 2020 and Work Health and Safety Regulations came into effect in WA on 31 March 2022. There is reference to the old act and not the new Act. There was no Information Management Policy at the Shire. There is no Cybersecurity Policy at the Shire. There is no Environmental, Social and Governance (ESG) Policy to promote and support the activities within the Shire. There is no Complaint Policy at the Shire. <p>Implication Information Management, Cybersecurity, ESG, risks and opportunities may not be identified, assessed, monitored and reported on a timely basis.</p> <p>Management Comment Some policies have already been developed. OSH Policy was reviewed and updated in February 22 in order to align to the upcoming new legislation. It was passed on the 26th April at Council Meeting however it had not yet been updated on the intranet or on notice boards due to resource shortages. This policy includes a review table. The Policy is reviewed every 12months or before dependent on changes to legislation etc. The WHS Policy has now been updated on the intranet and will be updated on all notice boards and first points of call for visitors across the business. As an action: The Policy will need to be updated in staff inductions for all new staff and contractors however this is scheduled to be discussed with HR already.</p> <table border="1"> <thead> <tr> <th>Recommendations</th> <th>Agreed Actions</th> <th>Action Owner</th> <th>Target Date</th> </tr> </thead> <tbody> <tr> <td>25. Develop and approve a comprehensive, OSH Policy, PID Policy, PID Procedure, OSH Policy, Information Management Policy, Cybersecurity Policy and Procedure, ESG Policy which aligns to Better Practice Principles and Standards.</td> <td>Policies will be developed in line with this recommendation</td> <td>Deputy CEO</td> <td>April 2023</td> </tr> </tbody> </table>				Recommendations	Agreed Actions	Action Owner	Target Date	25. Develop and approve a comprehensive, OSH Policy, PID Policy, PID Procedure, OSH Policy, Information Management Policy, Cybersecurity Policy and Procedure, ESG Policy which aligns to Better Practice Principles and Standards.	Policies will be developed in line with this recommendation	Deputy CEO	April 2023
Recommendations	Agreed Actions	Action Owner	Target Date								
25. Develop and approve a comprehensive, OSH Policy, PID Policy, PID Procedure, OSH Policy, Information Management Policy, Cybersecurity Policy and Procedure, ESG Policy which aligns to Better Practice Principles and Standards.	Policies will be developed in line with this recommendation	Deputy CEO	April 2023								

Commented [JT1]: OHS Policy mentioned twice?



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

3. Reporting			
Council			Risk Rating
Finding 3.1	Council		Medium
<p>We believe it is good governance for the Council to receive a regular reporting (at least quarterly) which summarises the Risk Management activities and to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan and Calendar and approval of key policies etc.</p> <p>The Council does not have any formal reporting from the Audit and Risk Committee or Management on a regular basis.</p> <p>Implication Risk management is not transparent and does not inform decision making by the Council.</p> <p>Management Comment Management strongly disagree and believe it is inappropriate to suggest that risk management is not transparent and does not inform decision making by the Council. Risks associated with projects and/or services are discussed and reported to Council inclusive of agenda items to Council. Management are of the opinion the gap that exists currently is regular reporting to the Audit Committee and then to Council on strategic and operational risks. The implementation of Pulse Risk will address this issue in the opinion of management.</p>			
	Agreed Actions	Action Owner	Target Date
26. Include a summary of the Risk Management activities as a standard Agenda Paper for the Council meetings on a regular basis to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan, Risk Management Calendar and approval of key policies etc.	Will be included as part of the implementation of Pulse Risk and reporting	CEO	December 2022

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

3. Reporting			
Audit and Risk Committee			Risk Rating
Finding 3.2	Audit and Risk Committee		Medium
<p>We believe it is good governance for the Audit and Risk Committee to receive a paper at each meeting to summarise the Risk Management activities and to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan, Risk Management Calendar and approval of key policies etc.</p> <p>The Audit and Risk Committee does not have a regular agenda item Risk Management within their standard agenda.</p> <p>The Audit and Risk Committee have within their Terms of Reference reporting responsibilities and it is important to acquit these responsibilities.</p> <p>Implication</p> <p>Risk management is not transparent and does not inform decision making by the Audit and Risk Committee.</p>			
Management Comment			
<p>Management strongly disagree and believe it is inappropriate to suggest that risk management is not transparent and does not inform decision making by the Audit Committee. Risks associated with projects and/or services are discussed with the Audit Committee. Management are of the opinion the gap that exists currently is regular reporting to the Audit Committee on strategic and operational risks. The implementation of Pulse Risk will address this issue in the opinion of management.</p>			
Recommendations		Action Owner	Target Date
27.	Include a summary of the Risk Management activities as an Agenda Paper for Audit and Risk Committee meetings to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan, Risk Management Calendar and approval of key policies etc.	CEO	December 2022



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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

3. Reporting			
Corporate Executive			Risk Rating
Finding 3.3	Corporate Executive		Medium
<p>The Corporate Executive does not have a standard or regular agenda item for Risk Management. We understand there is ad hoc reporting of some projects and activities which considers risk elements. We believe it is good governance for the Corporate Executive to receive a paper at each meeting to summarise the Risk Management activities and to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan, Risk Management Calendar and approval of key policies etc.</p> <p>Implication Risk management is not transparent and does not inform decision making by the Corporate Executive.</p> <p>Management Comment Management strongly disagree and believe it is inappropriate to suggest that risk management is not transparent and does not inform decision making by the Corporate Executive.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
28. Include a summary of the Risk Management activities as an Agenda Paper for Corporate Executive meetings to discuss current, new, emerging risks, status of the Risk Management Annual Work Plan, Risk Management Calendar and approval of key policies etc.	Will be included as part of the implementation of Pulse Risk and reporting	CEO	December 2022



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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

3. Reporting			
Data Analytics			Risk Rating
Finding 3.4	Data Analytics		Low
<p>Data analytics is the use of software to scan whole populations of data to identify themes, patterns, trends anomalies, fraud or error, opportunities, or predicting human behaviour. Data analytics is an effective technique to identify where there is high risk areas, non-compliance with delegations of authority and fraud risk areas.</p> <p>Data analytics has not been used within the Shire as a technique to assist with Risk Management. It is an effective tool for the First and Second lines of defence as mentioned in Section 1 of this report.</p> <p>Implication</p> <p>Fraud risk areas and non-compliance and weaknesses in controls are not being detected efficiently and effectively on a timely basis.</p> <p>Management Comment</p> <p>Management acknowledge that this is an area that needs improvement. The implementation of Pulse Risk will assist in addressing this.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
29. Consider the use of data analytics to analyse large volumes of data to identify current or emerging risks or opportunities within the Shire.	Will be included as part of the implementation of Pulse Risk and reporting	Deputy CEO	April 2023



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

4. Performance Measurement			
International Standard			Risk Rating
Finding 4.1	International Standard		Medium
<p>Comparing key functions within an organisation to International Standards can be a good method to identify where functions are performing in accordance with better practice principles</p> <p>There has been no documented assessment of the compliance with the Risk Management Standard (ISO 231000: 2018). We have not performed a formal assessment of the compliance requirements as key documents have referred to the superseded Risk Management Standard (ISO 30111: 2009) and not the new Risk Management Standard (31000: 2018).</p> <p>The Shire within some governance documents has stated compliance with the Risk Management Standard, however this is not evidenced.</p> <p>Implication</p> <p>Potential non-compliance with better practice principles</p> <p>Management Comment</p> <p>Management note the implication that potential non-compliance with better practice principles may exist. The resources required and needed to undertake this task will be discussed with management and Council. Significant resources may need to be invested.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
30. Prepare an assessment of the extent of compliance with the Risk Management International Standard 31000:2018.	This recommendation will be considered	CEO	May 2023

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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

4. Performance Measurement			
Key Performance Indicators			Risk Rating
Finding 4.2	Key Performance Indicators		Low
<p>Key performance Indicators are a good way to measure the performance of a function within an organisation. The setting of performance indicators allows expected performance to be set and agreed and actual performance to be compared to expectations. Performance targets are an element of effective risk management.</p> <p>There are currently no performance indicators or measures for the Risk Management function.</p> <p>Below are examples of KPI's relating to assessing the risk management function:</p> <ul style="list-style-type: none"> • Are the resources committed to risk management sufficient and appropriate? • Has the approved Annual Risk Work Plan been performed during the year? • Has there been any departures from the Risk Management Policy? • Has there been any departure from the Risk Management Procedures during the year? • Have the risk owners been trained in their risk management roles and responsibilities? • Have the risk owners been involved in risk identification, risk rating and engaged in the risk management function? • Has there been appropriate reporting to the Executive Leadership Team, Audit and Risk Committee on risk management activities? • Has the effectiveness of the risk management function and Audit and Risk Committee been assessed? • Has a risk management survey been sent to seek feedback on the risk management function? • Have continual improvement opportunities been considered and implemented, where considered beneficial. <p>Implication Risk management may not meet expectations.</p> <p>Management Comment Management note that risk management may not meet expectations. In regards to KPI's relating to assessing risk management this will be considered and discussed with the management team and Council. The challenge that always exists with KPI's is how can they be measured and does the Shire have the resources to do this.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
31. Develop, approve, document, monitor and report Risk Management Key Performance Indicators to allow expected performance and actual performance to be compared.	This recommendation will be considered	CEO	April 2023



Search		Executive Summary	Introduction	Four Lines of Defense	Risk	Objective and Scope	Review Approach	Observation and Recommendations	Other	Appendices
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7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

4. Performance Measurement			
Surveys			Risk Rating
Finding 4.3	Surveys		Low
<p>A survey is a good way to seek the pulse of the Shire as to the confidence that people have and in their role and responsibilities, and their ability to manage their role and responsibility. A survey can be a critical element of effective risk management. It is also an emerging trend for organisation's to assess their risk culture as this is an emerging as a key element for effective risk management.</p> <p>A survey of a selection of Council Members, Audit and Risk Committee Members, Risk Owners, Management, Staff, Contractors and/ or Volunteers has not been considered or performed within the Shire .</p> <p>Implication Risk management may not be effective, efficient or supported by Council, Audit and Risk Committee Members, Management, Staff, Contractors and Volunteers.</p> <p>Management Comment Management strongly disagree and believe it is inappropriate to suggest that risk management may not be effective, efficient or supported by Council, Audit and Risk Committee Members, Management, Staff, Contractors and Volunteers. Management are of the opinion the implementation of Risk Pulse will address the most significant issue/gap that exists – regular reporting and monitoring.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
32. Survey a selection of Council Members, Audit and Risk Committee Members, Risk Owners, Management, Staff, Contractors and/ or Volunteers to identify continuous improvement opportunities. Please review the Appendix 2 where were have provided an example.	Agreed with this recommendation	Deputy CEO	December 2022



7. OBSERVATIONS AND RECOMMENDATIONS (CONT.)

4. Performance Measurement			
Better Practice Principles			Risk Rating
Finding 4.4 Better Practice Principles			Low
<p>It is good governance to compare all key aspects of the Shire operations to better practice principles and OAG Tabled Reports to identify where improvements can be made, where fit for purpose, relevant and appropriate.</p> <p>The Risk Management function has not been compared to better practice principles. Gaps in the Risk Management functions can be considered and where appropriate be prioritised with in the Strategic Risk Management Plan referred to above.</p> <p>Implication Opportunities to improve current practices in line with Better Practice Principles will not be achieved.</p> <p>Management Comment Management strongly disagree and believe it is inappropriate to suggest that the risk management function currently being undertaken has been compared to Better Practice Principles. This is clearly demonstrated by the external expertise the Shire has engaged to deal with a number of components of risk management.</p>			
Recommendations	Agreed Actions	Action Owner	Target Date
33. Consider the following sources of better practice and compare these to the Shire on a timely basis. <ul style="list-style-type: none"> Auditor General tabled reports in all jurisdictions of Australia Risk Management Institute of Australasia Australian Institute of Company Directors Governance Institute of Australia 	This recommendation will be considered	Deputy CEO	May 2023
	This recommendation will be considered	Deputy CEO	May 2023
	This recommendation will be considered	Deputy CEO	May 2023
	This recommendation will be considered	Deputy CEO	May 2023
	This recommendation will be considered	Deputy CEO	May 2023

8. OTHER

8.1. Disclaimers

Moore Australia (WA) Pty Ltd as agent, an independent member of Moore Global Network Limited, and a Perth based partnership of trusts carries on business separately and independently from other Moore Global Network Limited member firms worldwide.

Services provided under this engagement are provided by Moore Australia (WA) Pty Ltd as agent and not by any other independent Moore Global Network Limited member firms worldwide. No other independent Moore Global Network Limited member has any liability for services provided.

8.2. Basis of Use

This report has been prepared in accordance with the objectives and approach agreed in the engagement document and subject to the following limitations:

- Other than use by you for the purpose, our report cannot be issued, accessed, or relied upon by any third party without our prior written approval. Furthermore, neither the report nor extracts from it will be included in any document to be circulated to other third parties without our prior written approval of the use, form, and context in which it is proposed to be released. We reserve the right to refuse to grant approval to issue the reporting to any other party.
- Our internal audit work was performed in accordance with the International Standards for the Professional Practice of Internal Auditing contained in the International Professional Practices Framework issued by the Institute of Internal Auditors. It did not constitute an audit or review in accordance with standards issued by the Auditing and Assurance Standards Board and accordingly no such assurance under those standards is provided in this report.
- The matters raised in this report are only those which came to our attention while performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

- We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to statements and representations made by, and the information and documentation provided by, Management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the client. The Internal Audit findings expressed in this report have been formed on the above basis.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.

8.3. Conflicts of Interest

The firm is not aware of any existing or potential relationship, transaction or holding that would compromise its objectivity in the conduct of the services rendered. Should the possibility of a perceived or actual conflict arise the matter would be raised with the Chief Executive Officer immediately and activities suspended until the issue was resolved to your satisfaction.

8.4. Liability

Moore Australia (WA) Pty Ltd trading as agent – ABN 99 433 544 961, an independent member of Moore Global Network Limited - members in principal cities throughout the world.

Liability limited by a scheme approved under Professional Standards Legislation.

APPENDIX 1: KEY TO SIGNIFICANCE OF RISK RATING

Rating	Definition	Guidance	Action required
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	<ul style="list-style-type: none"> Material errors and departures from the organisation's policies and procedures. Financial management / accountability / probity concerns. Non-compliance with governing legislation and regulations may result in fines or other penalties. Collective impact of many moderate or low issues. 	<ul style="list-style-type: none"> Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance. A detailed plan of action to be approved by Management with resolution within 30 days.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to meet its objectives.	<ul style="list-style-type: none"> Events, operational, business, and financial risks could expose the organisation to losses could be marginally material to the organisation. Departures from best practice management procedures, processes. 	<ul style="list-style-type: none"> Requires substantial management intervention and may require possible external assistance. Timeframe for action is subject to competing priorities and cost benefit analysis but should not exceed 3 months.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> Events, operational and business risks could expose the organisation to losses which are not material due to the low probability of occurrence of the event and insignificant impact on the operating capability, reputation, and regulatory compliance. Departures from management procedures, processes, however, appropriate monitoring and governance generally mitigates these risks. 	<ul style="list-style-type: none"> Requires management attention and possible use of external resources. Minor treatment is desirable. Action should be completed within 6 months.

APPENDIX 2: SHIRE OF COOLGARDIE RISK MANAGEMENT SURVEY

Background

Risk is a part of our every-day personal and professional lives. Risks are identified, prioritized, considered, and managed by people in their personal lives, and organisations in a more formalised way.

As part of its governance framework, The Shire of Coolgardie ("the Shire") has a risk management function. The role of risk management is to identify and manage risks within the Shire Risk Appetite and Tolerance Levels, to maintain systems to facilitate this, and to monitor and report the activities to the Executive Leadership Team, Audit, Finance and Risk Committee, and Board.

The objective of the Risk Management Survey is to understand the extent of understanding within the organisation on the roles and responsibilities and activities of risk management.

The results of the Risk Management Survey will be presented to the Board and Audit, Finance and Risk Committee, to improve the risk management function within the Shire.

Instructions

The survey has 10 questions which you are asked to complete.

We kindly request everyone to complete all of the questions in the survey by **TBA**.

The survey is expected to take 5 minutes to complete.

The respondents to the survey are anonymous. For respondents who would like to identify themselves so that follow up discussions can be held then there is an option to provide your details.

If you have any questions prior to or when completing the survey, you can contact the following:

Name: **TBA**

Position: **TBA**

Organisation: **TBA**

Work: **TBA**

Mobile: **TBA**

Work Email: **TBA**

Survey Questions

- 1) **Do you understand what constitutes risk management within the Shire?**
 - a) Yes
 - b) No
 - c) I'm not sure
- 2) **Does the Shire have an Officer responsible for risk management activities with the organisation?**
 - a) Yes, CEO
 - b) Yes, Principal Legal Counsel & Legal Manager
 - c) Yes, HR Manager
 - d) Yes, Director Corporate Services
 - e) No
 - f) I am not sure
- 3) **Do you know what is the Shire of Coolgardie Risk Appetite and/ or Risk Tolerance for your decision making**
 - a) Yes
 - b) No
 - c) I am not sure
- 4) **Do you believe you make Shire decisions in accordance with this risk appetite and/or tolerance?**
 - a) Yes, I believe I understand what it is and operate within in it.
 - d) Yes, I believe I understand what it is, however I operate outside of this.
 - e) No, I don't know what it is.
 - f) I am not sure.



APPENDIX 2: SHIRE OF COOLGARDIE RISK MANAGEMENT SURVEY (CONT.)

Survey Questions (continued)

- 5) Do you believe the Shire have Risk Management Policy and Procedures in place?
 - a) Yes
 - b) No
 - c) I'm not sure
- 6) Have you received any risk management awareness programs, training, newsletters, publications arranged by the Shire?
 - a) Yes, Less than three months ago
 - b) Yes, More than three months ago but less than six months ago
 - c) Yes, More than six months ago
 - d) Yes, More than 12 months ago
 - e) No never received risk management awareness programs or training at SP
- 7) Do you know who to report a risk to within the Shire?
 - a) Yes, Line Manager
 - b) Yes, Principal Legal Counsel and Legal Manager
 - c) Yes, CEO
 - d) Yes, Director Corporate Services
 - e) Yes, HR Manager
 - f) No
- 8) Do you know how to report suspected occupational health and safety risks?
 - a) Yes, Line Manager
 - b) Yes, Principal Legal Counsel and Legal Manager
 - c) Yes, CEO
 - d) Yes, Director Corporate Services
 - e) Yes, HR Manager
 - f) No

- 9) Do you believe risks are identified and managed appropriately within the Shire?
 - a) Yes
 - b) No
 - c) I'm not sure

10) Do you have any additional comments? If please provide them below.
 We would appreciate any comments and/ or feedback on risk management at Southern Ports and invite you to provide these below.

(free text)

THANK YOU FOR TAKING THE TIME TO PARTICIPATE IN THIS SURVEY

Participant Details

Name (optional): _____

Branch (optional): _____

Location (optional): _____

Contact details (optional): _____



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HELPING YOU THRIVE IN A CHANGING WORLD



INTERNAL AUDIT
FRAUD AND CORRUPTION

Shire of Coolgardie

8 July 2022



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1. EXECUTIVE SUMMARY

1.1. Context

The Shire of Coolgardie (“the **Shire**”) is located approximately 550 kilometres East of Perth. It encompasses an area of 30,400 km² and includes the towns of Coolgardie, Kambalda, Widgiemooltha and the Aboriginal community of Kurrawang.

The Shire of Coolgardie is located in regional Western Australia and it is more challenging to attract and retain suitably qualified and experienced staff.

Fraud is a threat that affects every entity in all areas of business and it is becoming increasingly complex as entities are at risk of fraud from external parties, internal officials and from overseas criminals. There has been increased situations of reported suspected fraud in the state and local government and private sector performed by internal and external stakeholders. A review of the fraud and corruption controls within the Shire is timely to understand the maturity of the organisation, where potential fraud risks are and how they are being managed now, and in the future in accordance with the risk appetite of the Shire.

To be effective, fraud prevention requires a number of contributory elements, including an effective fraud risk management approach, a robust ethical organisational culture that does not tolerate fraud, a strong awareness of fraud among staff, suppliers and clients, and an effective internal control framework for the planning and resources, prevention, detection and response to fraud.

In accordance with the Shire’s Strategic Internal Audit Plan, an audit on the Shire’s Fraud and Corruption Management Framework was performed for the calendar year ending 31 December 2021. To assess the effectiveness of the Shire’s fraud and corruption management controls, we conducted sample testing of key fraud risk areas through deploying data analytics, and by consulting publicly available information to confirm the operating effectiveness of controls. Our approach also assesses the level of compliance with established governance requirements; and extent of alignment to the key components of the [Australian Standard AS 8001 2021 Fraud and Corruption Control](#), which include planning, prevention, detection, and response.

Moore Australia performed the internal audit in accordance with the International Standards for the Professional Practice of Internal Auditing and the Moore Australia (WA) Pty Ltd Internal Audit Methodology.

This report presents our observations and recommendations arising from the internal audit performed. These observations and recommendations are presented, together with management’s comments, in *Section 4 Observations and Recommendations*, and summarised below.

1.2. Overall Findings

Fraud and corruption are a significant risk to all organisations. The Shire currently manages fraud and corruption on an ad-hoc basis, and there is limited documentation to evidence it is being effectively managed. There is limited resources and formalised processes to adequately prevent, detect and respond to fraud and corruption allegations. There is need to showcase its zero-tolerance appetite towards fraud and corruption and to provide regular fraud related training, and awareness campaigns. There is a high risk of fraud and/or misconduct being performed and not being detected on a timely basis without adequate planning and resources, fraud and corruption frameworks, detection and response in place.

The Shire’s Fraud and Corruption management process has been assessed as being “**Basic**” as summarised in Section 1.5 “Fraud and Corruption Maturity Model” (*Refer to [Appendix 1 – Fraud and Corruption Maturity Model](#)*). This is Moore Australia’s Assessment of the Shire’s maturity with regards to the key components of the AS 8001-2021.

There were many documents which were requested during the internal audit engagement which were required by Shire policy or better practice principles, but which were unable to be provided as they were not maintained or retained by the Shire.. These have been outlined within this report. There was also restricted access by the Chief Executive Officer to certain areas of the Shire which limited the scope of the engagement. This has limited the effectiveness of this internal audit and the identification of fraud and corruption risk areas

Chief Executive Officer Comment

I am happy with comments made in the report

1. EXECUTIVE SUMMARY (CONTINUED)

1.3. Acknowledgement

We would like to thank the Shire’s personnel for their assistance during the internal audit. Key personnel contacted are outlined in [Appendix 2](#).

1.4. Summary of Results

The results of our review are summarised in the table below and detailed in [Section 4 – Observations and Recommendations](#) of this report.

Risk Rating	Findings					Total
	Extreme	High	Medium	Low	Negligible	
Key Elements						
Planning and Resourcing	-	1	-	1	-	2
Prevention	-	-	5	-	-	5
Detection	-	1	1	1	-	3
Response	-	-	5	2	-	7
Total	0	2	11	4	0	17

We have assigned, and agreed with Management, priority ratings for each observation based on the *Key to Significance of Risk Rating* included in [Appendix 3 – Key to Significance of Risk Rating](#).

The findings and recommendations have been individually presented as the recommendations can have individual due dates assigned to them and they can be actioned independently from each other and removed from the Internal Audit Log as they are completed and validated by the internal auditors.



1. EXECUTIVE SUMMARY (CONTINUED)

1.4 Summary of Results (continued)

Our observations and recommendations for the Fraud and Corruption internal audit engagement are summarised below:

Planning and Resourcing

Observations and Recommendations	Rating
<p>Finding 1 – Risk Management Framework, Fraud and Corruption Policy, Framework and Plan</p>	<p>High</p>
<p>There is no Risk Management Framework within the Shire which sets out the broad approach as to how risks are managed within the Shire. The management of fraud and corruption as a key risk for any organization would then fall within/ be aligned to that Risk Management Framework.</p> <p>There is a Fraud and Corruption Prevention Policy (Policy 2.07 within the Policy Manual) however it does not reference to the Fraud and Corruption Standard AS 8001: 2021 (AS 8001:2021) and key elements within the Standard. The policy references prevention however the policy should be broader than that and include planning, resourcing, prevention, detection and response to fraud risks and events.</p> <p>There is no Fraud and Corruption Framework or Plan which emphasis the Shire's zero-tolerance approach to fraud and corruption within the Fraud and Corruption Prevention Policy and the overall approach and strategy to managing fraud and corruption related risks within the context of the Shire and the relevant responsibilities within the Shire to manage fraud and corruption. We acknowledge the existence of certain policies such as the Codes of Conduct within the Policy Manual and Management Policy Manual however these does not encompass the elements of a Fraud and Corruption Framework or Plan</p> <p>There are no detailed procedures for staff to understand how to, and who to report suspected fraud and corruption, and the expected process when they do make a disclosure.</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. Develop and implement a Risk Management Framework which identifies the approach to risk management within the Shire with consideration of better practice principles, a review of the Auditor General reports and ISO 31000: 2018 Risk Management 2. Revise the Fraud and Corruption Prevention Policy to be broader than prevention and reference the Fraud and Corruption Standard AS 8001:2021 and the key elements from this standard. 3. Develop and implement a Fraud and Corruption Control Framework with consideration of better practice principles, a review of the Auditor General reports and the AS 8001-2021. 4. Develop and implement a Fraud and Corruption Control Plan with consideration of better practice principles, a review of the Auditor General reports and the AS 8001-2021. 5. Develop Fraud and Corruption Control Procedures which underpin the above documents and provides guidance to staff as to how to and who to and what to expect when they report a suspected fraud. 	

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Planning and Resourcing (continued)

Observations and Recommendations (continued)	Rating
Finding 2 – Budget and Resources	Low
<p>There is no designated Fraud and Corruption Control Officer(s) and no budget for fraud and corruption. We believe a Fraud and Corruption Officer (who may have other non-conflicting responsibilities within the Shire) would be responsible for the planning, prevention, detection, and response to fraud and corruption and it should be a broader role and separate to the role of the PID Officer. A budget may consider such things as training and awareness programs, external expertise to manage or provide advice on specific PIDs, the consideration of a fraud and corruption hotline for reporting anonymous fraud, corruption or PIDs.</p> <p>Recommendations</p> <ul style="list-style-type: none"> 6. Appoint a Fraud and Corruption Officer (who may have other responsibilities within the Shire) to be responsible for and promote the planning, prevention, detection, and response to fraud. The Shire may consider appointing current employees to take on the required roles and responsibilities to manage fraud and corruption activities. Ensure this Officer is trained in the role. 7. Specifically consider fraud and corruption management and activities in the Shires budget setting process 	

Prevention

Observations and Recommendations	Rating
Finding 3 – Ethical Culture – Training and Communication	Medium
<p>There has been no regular training and future training programs planned on fraud and corruption related topics. The Shire does not provide comprehensive communication on fraud and corruption control measures to customers, suppliers, staff, and contractors. The Audit Committee does not explicitly say they have zero tolerance to fraud and corruption and the Audit Committee Charter does not explicitly state the role of internal audit is not to identify fraud and corruption events.</p> <p>Recommendations</p> <ul style="list-style-type: none"> 8. The Audit Committees Charters should include an explicit statement to demonstrate the Shire's zero-tolerance approach towards fraud and corruption, including its responsibility for fraud detection and roles and responsibilities for fraud and corruption. 9. Perform fraud and corruption related training and awareness programs for new staff and on an annual basis which is monitored and reported. 10. Develop a fraud and corruption communication strategy to embed Management's zero-tolerance towards fraud and corruption. 11. After developing and implementing all fraud and corruption related policies, place these on their website for access to the public. 	

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Prevention (continued)

Observations and Recommendations (continued)	Rating
Finding 3 – Ethical Culture – Training and Communication (continued)	Medium
<p>Recommendations (continued)</p> <p>12. Consider conducting a Fraud and Corruption Survey of Council Members, Management, staff, contractors, and volunteers, to assess their understanding of fraud and corruption policy and procedures and risks within the Shire. It can also include their comfort in reporting suspected fraud and their view of whether the Shire has a zero-tolerance to fraud and corruption. A proposed Fraud and Corruption Survey has been prepared and is attached in Appendix 4.</p> <p>13. Consider sending a letter to all customers and suppliers to demonstrate the Shires zero-tolerance to fraud and corruption and their policies for the management of conflict of interests, gifts, benefits, and hospitality, and management of fraud and corruption. The letter should also include the request for suspected fraud and corruption to be reported to 'the Shire. A proposed letter has been prepared and is attached in Appendix 5.</p>	
Finding 4 – Code of Conduct	Medium
<p>The Code of Conduct Policy is currently included in duplicate within the Shire’s Policy Manual and Shire’s Management Policy Manual. There is an opportunity to rationalise and have one document and identify where there may be specific elements which only apply to different people.</p> <p>There is no evidence the Code of Conduct has been provided to Customers and suppliers to demonstrate the Shire’s zero tolerance to fraud or corruption.</p> <p>Recommendations</p> <p>14. Consider rationalising the two Code of Conducts which are currently in place within the Management Policy Manual and Policy Manual.</p>	
Finding 5 – Financial Management Manual	Medium
<p>There is no approved Financial Management Manual within the Shire. A Financial Management Manual is a key prevention controls to identify the approved expected preventive, detective and response internal controls within the Shire. This would include the management of high fraud risk areas such as cash, assets, including IT assets.</p> <p>The Chief Executive Officer advised Moore Australia that the Finance Officer was not available to speak to Moore Australia for the internal audit engagement as they had recently left the organization and there was no one else to discuss the Finance Function other than the Chief Executive Officer. Our ability to discuss the Finance function independently of the Chief Executive Officer therefore limited the effectiveness of this aspect of the internal audit. It was decided not to perform any tests on the finance function for this internal audit engagement. There is a risk there may be fraud risks present within the Finance Function which have therefore not been identified in this internal audit engagement. This may be considered as part of another internal audit engagement in the future.</p> <p>Recommendations:</p> <p>15. Develop and implement a Financial Management Manual for the Shire.</p>	

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Prevention (continued)

Observations and Recommendations (continued)	Rating
<p>Finding 6 – Rotation of Staff</p> <p>There is no documentation of the consideration of the rotation of staff to reduce fraud risk within the Shire. Rotation of staff in key fraud risk roles can reduce the risk of fraud via the timely identification of fraud risk indicators.</p> <p>Recommendations:</p> <p>16. Consider rotating staff in key fraud risk areas periodically.</p>	Medium
<p>Finding 7 – Fraud Risk Register and Fraud Risk Assessment</p> <p>There is no consideration of the identification and mitigation of specific fraud risks within the Shire including via the Risk Register. There is also no Fraud Risk Procedures to provide guidelines to staff as to how this should be performed. Early identification of fraud risks can go a long way to the timely mitigation of these risks to within risk appetite.</p> <p>Recommendation</p> <p>17. Perform fraud risk assessments to identify, manage, monitor and report fraud risks and include those risks in a Fraud Risk Register.</p>	Medium

Detection

Observations and Recommendations	Rating
<p>Finding 8 – Fraud Risk Performance Indicators</p> <p>Fraud Risk Performance Indicators are not used to identify, monitor, or report fraud risk. They can be used to monitor activity over time and identify fraud risk areas for further investigation.</p> <p>Recommendation</p> <p>18. Consider the use of fraud risk performance indicators to identify, monitor, report fraud and corruption risk indicators within the Shire.</p>	Low

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Detection (continued)

Observations and Recommendations (continued)	Rating
Finding 9 – Fraud Detection Techniques	Medium
<p>There are no fraud detection techniques performed by the Shire. Data Analytics is not used within the Shire as a technique to identify fraud risk indicators and areas and to detect fraud. Continuous auditing of Shire data is not performed to identify fraud risk areas such as transactions which are anomalous, represent an unexpected theme or pattern which can be followed up.</p> <p>Recommendations</p> <ul style="list-style-type: none"> 19. Develop and implement fraud detection techniques within the Shire. Consider the use of data analytics to assist in the detection and prevention of potential fraud 20. Implement continuous monitoring tools in the Shire’s financial management systems to detect and respond to exceptions identified. 	
Finding 10 – Debtor, Supplier and Payroll Management	High
<p>We reviewed the Shires Policy Manual and noted the Shire does not mandate the vetting customers and/ or vendors / suppliers before registering them. The Shire’s Debtors and Creditors Listing is not routinely maintained as we identified many instances of where hygiene of debtors, creditors and payroll could be improved. There were many instances of balances which have been identified which may present a heightened fraud and corruption risk to the Shire. There was also supporting documentation which has not been retained in accordance with the Shire’s policy and better practice principles. The Shires audit trail report for debtors and creditors identified access related matters which presented an increased fraud risk or fraud or corruption.</p> <p>Recommendation</p> <ul style="list-style-type: none"> 21. Implement a due diligence process before registering debtors and suppliers/vendors on the Shires information system. 22. Review the debtors, creditor and payroll listing and deregister and / or remove any debtors, creditors and employees that have not been used over the past financial years and implement a program to regularly maintain these listings. 23. Retain supporting documents unable to be provided within the report, investigate the matters identified within the report and potential relationships between employees and the debtors and suppliers/ service providers and implement appropriate corrective action for those matters and relationships found to be irregular. Remind staff of the need to declare interests and conflicts of interests. 	

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Response

Observations and Recommendations	Rating
Finding 11 – Public Interest Policy and Procedure	Low
<p>There is no Public Interest Disclosure Policy within the Shire. We acknowledge there was a PID Policy within the Policy Manual and it was approved to be withdrawn from the Policy Manual at the Ordinary Council meeting on 23 February 2021 on the basis there will be detailed policy written by the Chief Executive Officer and included within the Management Policy Manual</p> <p>Recommendations</p> <p>24. Develop and implement a Public Interest Disclosure, Policy and Procedures to support the Shire’s obligations under the Public Interest Disclosure Act 1993 and Regulations and publish it in the Shire website.</p>	
Finding 12 – Public Interest Disclosure Officers	Low
<p>There is no PID Officers identified within the Shire website, intranet or PID Officer Contact Director held by the Public Sector Commission. There are legislative responsibilities under the Public Interest Disclosure Act 1993 and Regulations to have this function in place in local government in Western Australia.</p> <p>Recommendation</p> <p>25. Appoint at least two PID Officers for the Shire and promote them on the Shire’s intranet and website.</p> <p>26. Include the approved PID Officers on the Shire’s Public Sector Commission PID Officer Contact Directory.</p>	
Finding 13 – Fraud and Corruption Incident Register and Public Interest Disclosure Register	Medium
<p>There is no Fraud and Corruption Incident Register which identifies the suspected fraud and corruption, the actions taken to assess, investigate, monitor, and report the outcomes from the investigation and to identify the lessons learned. There is therefore no reporting of fraud and corruption themes and patterns from the Fraud and Corruption Register.</p> <p>Further to this there is no Public Interest Disclosure Register which records the public interest disclosures raised within the Shire and the management of the matters raised.</p> <p>Recommendations</p> <p>27. Develop and implement, as part of the overall Fraud and Corruption Control Framework, a Fraud and Corruption Incident Register.</p> <p>28. Introduce a process to regularly review the Fraud and Corruption Incident Register to identify and respond to fraud trends and to report these to the Council, Audit Committee and Executive Leadership Team.</p> <p>29. Develop and implement as part of the overall Fraud and Corruption Control Framework , a Public Interest Disclosure Register.</p>	

1. EXECUTIVE SUMMARY (CONTINUED)

1.3 Summary of Results (continued)

Response (continued)

Observations and Recommendations (continued)	Rating
Finding 14 – Fraud and Corruption and PID Hotline	Medium
<p>There is no Fraud and Corruption or Public Interest Disclosure Hotline for Council, Management, staff, suppliers, customers, contractors, volunteers, or the community to report suspected fraud or corruption or public interest disclosures, including anonymous disclosures. There is no reference to this on the Shire's website or intranet.</p>	
<p>Recommendation</p>	
<p>30. Implement a fraud and corruption and Public Interest Disclosure hotline for staff, suppliers, customers, contractors, volunteers, and the public to report fraud and corruption related incidents and / or allegations, including anonymous disclosures. This may be an external hotline provided by a consultant to provide an independent service and to assist with resourcing.</p>	
Finding 15 – Complaints Handling	Medium
<p>There is no Complaints Management Policy for staff. We acknowledge there is one for Council and Elected Members within the Policy Manual. The Complaints Management Policy references the superceded Quality Management Customer Satisfaction- Guidelines for complaints handling in organisations as 2009 and not the current 2018 version. The Complaints Register also does not appear to be current, with the last complaint being recorded in 2015.</p>	
<p>Recommendation:</p>	
<p>31. Develop and implement a Complaints Policy which includes Management, staff, contractors and volunteers.</p>	
<p>32. Review and revise the Complaints Management Policy to ensure it is current and compliant with standards and better practice principles which may include the Ombudsman of WA Principles of Effective Complaint Handling.</p>	
<p>33. Implement the Complaints Register and reinforce its use to Management and staff.</p>	
Finding 16 – Disciplinary Policy and Grievance Policy	Medium
<p>There is no Disciplinary Policy or Grievance Policy for staff to raise matters during the course of their employment.</p>	
<p>Recommendation:</p>	
<p>34. Develop and implement a Disciplinary Policy and Grievance Policy for staff</p>	
Finding 17 – Reporting to the Executive, Audit Committee or Council	Medium
<p>There is no reporting of Fraud and Corruption to the Executive, Audit Committee, or Council.</p>	
<p>Recommendation:</p>	
<p>35. Implement regular reporting of fraud and corruption reporting to the Executive, Audit Committee, and Council to demonstrate</p>	






1. EXECUTIVE SUMMARY (CONTINUED)

1.5. Fraud and Corruption Maturity Model

The Australian Standards AS 8001 – 2021 – *Fraud and Corruption Control (Standard)* outline a suggested approach to controlling fraud and corruption and recommend that the Standard be implemented to ensure that pre-existing fraud and corruption control measures are robust.

The Standard views fraud and corruption as a holistic concept involving implementation and continuous monitoring and improvement across four themes and suggested a framework for a fraud and corruption control plan.

We have assessed the Shire’s fraud and corruption activities against the Standard and also assessed them against our Moore Australia Fraud and Corruption Maturity Model. This can be found in [Appendix 1 – Fraud and Corruption Maturity Model](#).

						
		Basic	Developing	Operational	Integrated	Leading Practice
		Nothing or almost nothing exists for the element	Some parts of this element exist, application on different levels is inconsistent	Element is defined and consistently applied on some but not all levels	Element is defined with more detail and applied consistently on most levels	Element is defined in detail and consistently applied on all levels involved
Fraud and Corruption Control	Planning and Resourcing					
	Prevention					
	Detection					
	Response					



2. SCOPE AND APPROACH

2.1. Objective and Scope

The objective of the internal audit was to assess the adequacy and effectiveness of the Shire's fraud and corruption management framework; and extent of alignment to leading standards including planning, prevention, detection, resolution, monitoring, and reporting.

The internal audit encompassed the following areas of scope

Assess the adequacy of the Fraud and Corruption framework in place in line with key components of the Australian Standards *AS 8001 – 2021 – Fraud and Corruption Control*:

- Planning and Resourcing, including:
 - Fraud and corruption control planning; and
 - Fraud and corruption control resources.
- Prevention, including:
 - Senior Management commitment to controlling the risks of fraud and corruption;
 - Internal control;
 - Assessing fraud and corruption risk; and
 - Communication and awareness.
- Detection, including:
 - Implementing a fraud and corruption detection program; and
 - Avenues for reporting suspected incidents.
- Response, including:
 - Policies and procedures;
 - Internal reporting and escalation; and
 - Disciplinary Procedures.

2.2 Approach

The internal audit approach included the following:

- Discussions with key stakeholders to obtain an understanding of the pertinent processes, protocols, roles and responsibilities, and key control points;
- Desktop review of governance documents and policies to understand the approved governance and process; and
- Where applicable, we conducted sample testing of key fraud risk areas, and consulted publicly available information to confirm the operating effectiveness of controls and compliance with policy and procedures. Discussions with stakeholders were held to obtain an understanding, and to confirm the issues identified.
- Performed the following data analytics to support the traditional audit techniques. The data analytics included:
 - Review of the debtors, suppliers and payroll master files;
 - Review of the debtors and supplier audit trail reports

We were unable to perform the following tests as the information was requested but not provided by Management:

- Tests on the payroll audit trail reports
- Tests on debtors and creditors which have not been used for more than 2 years.
- Tests on the new and terminated employees
- Tests on the onboarding of new debtors and suppliers
- Tests on the Financial Function and high value and attractive assets. The Chief Executive Officer advised Moore Australia the Finance Officer was not available to speak to Moore Australia for this engagement as they had recently left the organisation and there was no one else to discuss the Finance Function other than themselves.

2. SCOPE AND APPROACH (CONTINUED)

2.2. Approach (continued)

Our ability to discuss the Finance function independently of the Chief Executive Officer therefore limited the effectiveness of this aspect of the internal audit. It was decided not to perform any tests on the Finance Function for this internal audit engagement. There is a risk there may be fraud and corruption risks within the Finance Function which have therefore not been identified in this internal audit engagement. This may be considered as part of another internal audit engagement in the future.

- Tests on the bank accounts of debtors, suppliers, and employees.
- Tests on creditors balances to identify negative balances and other fraud risk balances
- Tests on employee leave lists to identify high fraud risk employees
- We wanted to perform specific tests on these data sets but were unable to as they were not provided by Management. These areas may also present a fraud risk and will need to be considered by Management. There are findings reported within the report in this regard.

Specifically, the review was conducted primarily by applying discussion, observation, and review techniques, concentrating on:

Planning and Resourcing

- Reviewed the policies and procedures in place to plan, resource, prevent, detect and report incidents of fraud and corruption;
- Reviewed the process for conducting fraud and corruption awareness training; and
- Determined who the dedicated Fraud and Corruption Officers are, and their roles and responsibilities.

Prevention

- Reviewed the processes and controls in place to prevent fraud and corruption.

Detection

- Reviewed the processes and controls in place to detect fraud and corruption; and
- Performed data analytics and reviewed the previous internal auditor's reports (if any) relating to data analytics performed. We liaised with Management to identify where data analytics may be used in the audit on selected key risk areas.

Response

- Reviewed the processes and controls in place to respond to fraud and corruption;
- Reviewed the procedures relating to fraud and corruption investigations pertaining to fraud and corruption allegations reported;
- Reviewed the mechanisms in place, including PID mechanisms, to report fraud and corruption;
- Reviewed the monitoring and management reporting processes in place; and

Identified improvement opportunities to enhance the process including consideration of better practice principles and Auditor General's reports, where relevant.

2. SCOPE AND APPROACH (CONTINUED)

2.3 Reporting

The internal audit report was prepared on an "exception-basis", which means we only provide commentaries on areas where we observe improvement opportunities on controls or enhancement to the compliance posture.

The following reporting activities had been undertaken:

- Convene exit meeting with key stakeholders to discuss high level findings.
- Develop a draft report outlining our findings and recommendations.
- Validate the draft report with process owners and responsible management.
- Convene an exit meeting with the responsible Executive member and responsible management to discuss the report.
- Seek management comments, actions and timelines for implementing actions.
- Issue the final report to the Chief Executive Officer.
- Table final report at the Audit and Risk Committee.

2.4 Limitations of Scope

Our work is limited by the following:

- The scope of our services and any deliverables will be limited to carrying out internal audit assignments in accordance with the Strategic Internal Audit Plan approved by the Audit and Risk Committee. We will only cover the scope of work approved by the Audit and Risk Committee and unless additional areas are specifically agreed with the Audit and Risk Committee during the year. The scope of work for this internal audit engagement was approved by Management in our Statement of Scope signed on 6 August 2021.
- Due to the inherent limitations of any internal control structure, we do not warrant that all weaknesses, fraud and corruption or fraud and corruption risks, error, and/or non-compliance in your control structures were detected during the course of the engagement. The scope of the internal audit engagement was not to identify fraud and/or corruption.
- Any testing under the engagement is performed on a sample basis, unless otherwise advised, and is not conducted continuously.

- Any projections as to the assessment of the control structures in future periods are subject to the risk that the structures may become inadequate as a result of changes in conditions, or that the degree of compliance with them may deteriorate.
- We conducted appropriate tests of key controls within our scope. Our findings only relate to the period of testing undertaken during our review and cannot be relied upon to be representative of the operation of control procedures prior to or after this period.
- There were many documents which were requested during the internal audit engagement which were required by Shire policy or considered better practice, but which were unable to be provided as they were not maintained or retained by the Shire. These have been outlined within this report. There may be unidentified fraud, and/ or corruption risks or instances. This was identified in Section 2.2.
- There was restricted access to areas within the Shire by the Chief Executive officer and so the scope of the engagement was limited by this restriction. There may be unidentified fraud, and/ or corruption risks or instances. This was identified in Section 2.2.
- All documents were extracted from the Shire's information systems by Management and provided to Moore Australia. Moore Australia were unable to validate the authenticity of these source documents. The results of our testing is limited to the extent of the information provide by Management.
- Items may be identified in the internal audit engagement and where identified may require follow up by Management. These may present a fraud and corruption risk.
- The provision of internal audit services is an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board, and consequently no opinions or conclusions are intended to convey assurance.

Our report is for your purposes only and not for publication, quoting or reliance by any other party.



3 FRAUD AND CORRUPTION CONTROL

3.2 Fraud in the News and in Reports by the Auditor General and Corruption and Crime Commissioner

There are many fraud and corruption risks within all organisations. Recently, there has been highly publicised alleged fraud, corruption, and misconduct within the following entities:

- Fremantle Port Authority.
- Department of Communities.
- Shire of Kalgoorlie-Boulder.
- Shire of Dowerin.
- Shire of Exmouth.

There have been many reports issued by the Auditors General in Western Australia and other jurisdictions where the fraud risks within state and local government entities have not been well managed. These include the following:

- [Australian National Audit Office, Fraud Control in Australian Government Entities, Better Practice Guide, March 2011, Canberra](#)
- [Crime and Misconduct Commission, Fraud and Corruption Control: Guideline for Best Practice, March 2005, CMC, Brisbane](#)
- [Independent Commission Against Corruption, Fighting Fraud: Checklists, 2002, ICAC, Sydney](#)
- [Office of the Auditor General for Western Australia, Fraud Prevention and Detection in the Public Sector, Report 7, June 2013, Western Australian Auditor General, Perth, Western Australia](#)
- [Victorian Auditor General's Office, Fraud Prevention Strategies in Local Government, June 2012, Melbourne](#)

It is timely and appropriate that the Shire has Moore Australia (WA) as your internal audit service providers to perform a fraud and corruption internal audit in order to assess the management of fraud and corruption risk.

3.3 What Is Fraud?

Fraud has many legal nuances and can manifest itself in many different ways, simple defined as follow:

"Fraud essentially involves an act or acts of deception to dishonestly make a personal gain for oneself and/or create a loss for another, either in cash or kind or by avoiding an obligation"

The fraudster has an intention to deceive; and an objective to influence the victim's decisions or actions.

It is not necessary to intend to cause a loss to the victim or make a gain for themselves. The criminal act is the attempt to deceive, and attempted fraud should, therefore, be treated as seriously as accomplished fraud. The definition applies irrespectively whether the fraudulent act involves a member of staff (or a relative), acting alone or in collusion with a third party (internal fraud) or merely any third party (external fraud). The term fraud commonly includes three primary manifestations:

- Theft, forgery, misappropriation and money laundering;
- Deception, false representation, and concealment of material facts; and
- Corruption, conspiracy, bribery and extortion.

3. FRAUD AND CORRUPTION CONTROL (CONTINUED)

3.4 The Fraud Triangle

The Fraud Triangle is a framework commonly used to explain the motivation behind an individual's decision to commit fraud and requires all three components - Opportunity, Rationalisation, and Pressure.

Rationalisation

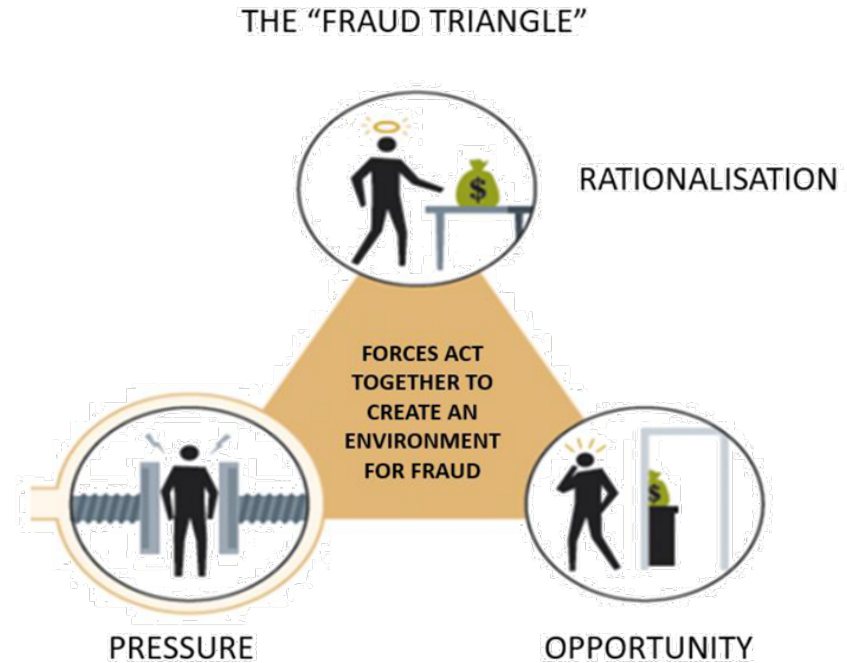
is when the perpetrator justifies the fraud. This may be that they are borrowing money and that they will pay the money back, that their behaviour is to save a family member, or through job dissatisfaction that they are "owed something".

Opportunity

is the means by which the fraud is committed. The opportunity arises due to knowledge and ability to commit fraud, inadequate internal controls/breakdowns in internal control, poor governance and/ or management oversight and use of their position/authority.

Pressure

is the demands on a person to perpetrate a fraud (financial, family, career, threats from others, social or psychological). We consider this Fraud Triangle when we consider the fraud risk assessment of the Shire.

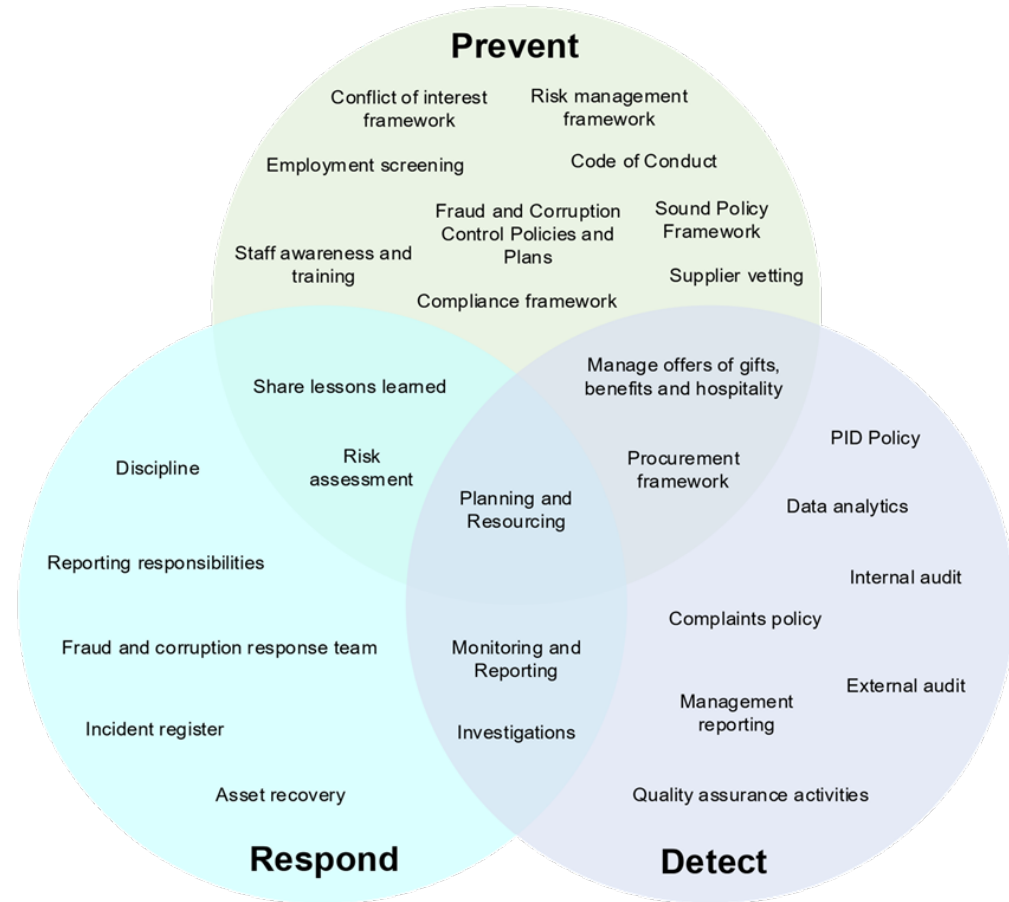


Source: Donald R. Cressey's 'Fraud Triangle', as sourced from the OCEG GRC Illustrated Series, *How Do We Manage the Business Risk of Fraud?*, 2008

3. FRAUD AND CORRUPTION CONTROL (CONTINUED)

3.5 Elements of a sound Fraud Control Framework

To control fraud and corruption, organisations should implement a sound Fraud and Corruption Control Framework. The below diagram sets out, in simplistic terms, the key elements of a sound fraud control framework.



4 OBSERVATIONS AND RECOMMENDATIONS

4.2 Planning and Resourcing

Finding 1	Rating of Finding
Risk Management Framework, Fraud and Corruption Policy, Framework and Plan	High
<p>A comprehensive Risk Management Framework which identifies fraud and corruption as a key risk sets a good tone at the top for zero tolerance to fraud.</p> <p>A Fraud and Corruption Policy clearly communicates the organisation's values and business practices, articulates the commitment of the CEO and senior management to these principles, be based on a risk management approach, outline its scope and how it will be applied at all levels of the organisation.</p> <p>A Fraud and Corruption Framework outlines guiding principles, tools and information that enables all employees to effectively prevent, detect and respond to suspected fraudulent and/or corrupt conduct.</p> <p>A Fraud and Corruption Control Plan documents an organisation's approach to controlling fraud and corruption exposure at strategic, tactical and operational levels and should detail the organisation's intended action in implementing and monitoring fraud and corruption prevention, detection and response initiatives.</p> <p>It is prudent to consider better practice and standards when developing and maintaining these artefacts. Better practice includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> • Fraud and Corruption Standard – Comparison of current practice with the Fraud and Corruption Control Standard AS 8001-2021. • Better Practice Principles – Review better practice principles published from time to time by the Auditor General , Corruption and Crime Commission and governance bodies to identify contemporary practice and improvement opportunities when compared to current practice within the Shire. • Review of Auditor General Reports – Consult recently tabled Auditor General reports to understand the results of the audit and to identify improvement opportunities and lessons learned. <p>Through interviews and a review of documentation, we noted that the Shire does not have a Risk Management Framework, comprehensive Fraud and Corruption Policy covering planning and resourcing, prevention, detection and response, Fraud and Corruption Framework or Fraud and Corruption Plan. There is no evidence the Shire has referred to the Fraud and Corruption Control Standard AS 8001-2021, better practice principles or review recently tabled Auditor General reports.</p> <p>There is no detailed procedures for staff to understand how to and who to report allegations of fraud or corruption and expected process when they make a disclosure.</p> <p>Implications</p> <p>There is a lack of governance for fraud and corruption to effectively plan and resource, prevent, detect and respond to suspected fraud or corruption events</p>	
Management Comment	
<p>There are currently measures in place to eliminate the risk of fraud activity within the finance department.</p> <p>Agreed that the organisation could benefit from the implementation of more stringent plans and the allocation of additional resources.</p>	

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.1 Planning and Resourcing (continued)

Finding 1 (continued)			Rating of Finding
Risk Management Framework, Fraud and Corruption Policy, Framework and Plan (continued)			High
Recommendations	Agreed Action	Action Owner	Target Date
1. Develop and implement a Risk Management Framework which identifies the approach to risk management within the Shire with consideration of better practice principles, a review of the Auditor General reports and ISO 31000: 2018 Risk Management.	Update the Shire's existing Fraud & Corruption Prevention Policy to incorporate recommendations from the Auditor General reports and ISO 31000: 2018 Risk Management.	Danielle Fleet	April 2022
2. Revise the Fraud and Corruption Prevention Policy to be broader than prevention and reference the Fraud and Corruption Standard AS 8001:2021 and the key elements from this standard.	Update the Shire's existing Fraud & Corruption Prevention Policy to incorporate key elements of Fraud and Corruption Standard AS 8001:2021	Danielle Fleet	April 2022
3. Develop and implement a Fraud and Corruption Control Framework with consideration of better practice principles, a review of the Auditor General reports and the AS 8001-2021.	Update the Shire's Fraud & Corruption Prevention Policy to incorporate findings from Auditor General reports and AS 8001-2021 better practice principles.	Danielle Fleet	April 2022
4. Develop and implement a Fraud and Corruption Control Plan with consideration of better practice principles, a review of the Auditor General reports and the AS 8001-20021	Update the Shire's Fraud & Corruption Prevention Policy to incorporate findings from Auditor General reports and AS 8001-2021 better practice principles.	Danielle Fleet	April 2022
5. Develop Fraud and Corruption Control Procedures which underpin the above documents and provides guidance to staff as to how to and who to and what to expect when they report a suspected fraud.	Development staff procedures flowing from the Shire's updated Fraud & Corruption Prevention Policy	Robert Hicks	April 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.1 Planning and Resourcing (continued)

Finding 2		Rating of Finding	
Budget and Resources		Low	
<p>Organisations should consider a budget for and ensure that an appropriate level of resources is applied to planning and resourcing, preventing, detecting and responding to suspected fraud and corruption events. The resources could include dedicated in house employees with clear roles and responsibilities to implement the fraud and corruption activities, to coordinate the fraud and corruption risk assessment process, to record and collate fraud and a corruption incident register and to conduct or coordinate investigations. They could also include external resources to assist with or perform these tasks.</p> <p>Through interviews and a review of documentation, we noted the following:</p> <ul style="list-style-type: none"> • There is no designated Fraud and Corruption Control Officer(s) (who may also perform other non-conflicting activities); and • There is no evidence of the consideration of a budget for fraud and corruption management within 'the Shires budget process. A budget will assist the Shire with the planning of resources, relevant fraud and corruption related training and awareness programs, and the use of experts and consultants, and consideration of a Fraud and Corruption and Public Interest Disclosure Hotline, where required. <p>Implications</p> <p>The lack of a dedicated resource as a Fraud and Corruption Officer will reduce the ability to plan and resource, prevent, detect, and respond to suspected fraud and corruption events.</p>			
Management Comment			
<p>Management is of the opinion that existing measures in place significantly reduce the risk of fraud within the organisation.</p> <p>A designated Fraud & Corruption Officer is considered unlikely for the Shire of Coolgardie, however this function could be incorporated within an existing role within the organisation.</p> <p>Budget consideration for additional resources for fraud and corruption management will be considered in future budget considerations with Council.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
6. Appoint a Fraud and Corruption Officer (who may have other responsibilities within the Shire) to be responsible for and promote the planning, prevention, detection, and response to fraud. The Shire may consider appointing current employees to take on the required roles and responsibilities to manage fraud and corruption activities. Ensure this Officer is trained in the role.	Incorporate the functions of a fraud and corruption officer into the position description of current employee considered appropriate to carry out these functions.	Robert Hicks	April 2022
7. Specifically consider fraud and corruption management and activities in the Shires budget setting process.	Resources allocated in annual budget for fraud and corruption management	Robert Hicks	February 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention

Finding 3	Rating of Finding
Ethical Culture – Training and Communication	Medium
<p>A key strategy in managing the risk of fraud and corruption within an organisation is the implementation and maintenance of a sound ethical culture. It should aim to have a healthy and sustainable ethical culture through the implementation of an integrity framework which should include a process of benchmarking and continuous monitoring underpinned by a program of example setting by Management.</p> <p>A strong fraud and corruption culture is represented by a strong tone at top, training of staff and stakeholders and strong fraud internal control framework for planning and resourcing, prevention, detection and response to fraud which is available to staff and stakeholders.</p> <p>A zero-tolerance approach can include, but is not limited to, the following:</p> <ul style="list-style-type: none"> • Continuous communication by Council, Audit Committee members and Management about the organisation’s zero-tolerance towards fraud and corruption; • Establishment of a Fraud and Corruption Hotline and Public Interest Disclosure hotline to report fraud and corruption allegations; • Strong Fraud and Corruption Framework including policies, procedures and practices ; and • Regular fraud and corruption training and awareness programs. <p>To embed an ethical culture, regular fraud and corruption communication and training is important and should be provided to all employees, including Council, Management, staff, contractors and volunteers. Regular fraud and corruption communication should also be provided to customers and suppliers through, as an example, the Shire’s website and procurement processes. Training sets the right fraud risk culture and reduces the fraud and corruption risk and it clearly communicate Council and Management’s zero-tolerance towards fraud and corruption.</p> <p>We observed the following:</p> <ul style="list-style-type: none"> • There has been no regular training and future training programs planned on fraud and corruption related topics including accountable and ethical decision making, Code of Conduct / Ethics, conflict of interest, gifts, benefits and hospitality or public interest disclosure. These are key training areas to reduce the fraud risk in any organisation. • The Shire does not provide comprehensive communication on fraud and corruption control measures to customers, suppliers, staff and contractors. There has also not been any awareness program covering the control and prevention of internally and/or externally initiated fraud and corruption. • Not all policies are published on the Shire’s website. There is potential to enhance the transparency about the policy framework to stakeholders and the fraud and corruption risk culture of the Shire by publishing these to stakeholders so they are aware of the Shire’s zero-tolerance approach to fraud and corruption. • The Audit Committee Charter within the Policy Manual could be enhanced to showcase the Council’s zero-tolerance towards fraud and corruption. It should also include the roles and responsibilities of the Audit Committee Members towards fraud and corruption. This will assist the Council, Audit Committee and Management to “set the tone at the top” – to lead by example and to create a culture of integrity. 	

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 3 (continued)		Rating of Finding	
Ethical Culture – Training and Communication (continued)		Medium	
<ul style="list-style-type: none"> There is no Internal Audit Charter. The Audit Committee Charter within the Policy Manual can be enhanced to explicitly say that it is not the role or responsibility of the Internal Auditors to identify fraud or corruption. This can often be an expectation gap for the internal audit function and so it is always better practice to have this included in the Internal Audit Charter. <p>Implications</p> <ul style="list-style-type: none"> The lack of a zero-tolerance approach in an organisation may indicate that committing fraud or corruption will be tolerated and may be used to rationalise that it is acceptable to commit fraud or corruption. Expectations that it is the Internal Audit function's responsibility to identify fraud and corruption may cause employees to oversee the need to manage fraud risks within their area of responsibilities. The lack of recent and regular training on these key topics means Board and staff may not be familiar with the organisation's policy and procedures and their personal responsibilities and this may increase the risk of fraud and/ or corruption. Not making the public and customers aware of the Shire's zero-tolerance approach towards fraud and corruption may have a negative impact on the reputation of the Shire, and may leave a perception with the public and customers that fraud and corruption will be tolerated. Misunderstanding and expectation gap may exist with the role and responsibility of the Internal Auditors and their role is not to identify fraud and corruption events 			
Management Comment			
<p>In last 18-24 months the Shire has made a significant investment into providing training and support in the areas of the financial & other interest disclosures, related parties, disclosure of gifts, code of conduct and other governance matters including the engagement of a dedicated external governance professional within years of industry experience.</p> <p>It goes without saying that the shire, and any other organisation for that matter, should and would have a zero tolerance to fraud & corruption.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
8. The Audit Committees Charters should include an explicit statement to demonstrate the Shire's zero-tolerance approach towards fraud and corruption, including its responsibility for fraud detection and roles and responsibilities for fraud and corruption.	That is documented that the Shire has a zero-tolerance approach towards fraud and corruption.	Robert Hicks	April 2022
9. Perform annual fraud and corruption related training and awareness programs which is monitored and reported	Resources allocated to allow training to be implemented as required.	Robert Hicks	June 2022
10. Develop a fraud and corruption communication strategy to embed Management's zero-tolerance towards fraud and corruption.	A community strategy to be included within the	Danielle Fleet	April 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 3 (continued)			Rating of Finding
Ethical Culture – Training and Communication (continued)			Medium
Recommendations	Agreed Action	Action Owner	Target Date
11. After developing and implementing all fraud and corruption related policies, place these on their website for access to the public.	All shire policies to be displayed on the Shire's website for public access	Danielle Fleet	June 2022
12. Consider conducting a Fraud and Corruption Survey of staff, contractors and volunteers, to assess their understanding of fraud and corruption policy and procedures and risks within the Shire. It can also include their comfort in reporting suspected fraud and their view of whether the Shire has a zero-tolerance to fraud and corruption. A draft Fraud and Corruption survey has been prepared and is attached in Appendix 4 .	Survey to be implemented at the discretion of the shire's appointed Fraud & Corruption Officer.	Robert Hicks	June 2022
13. Consider sending a letter to all customers and suppliers to outline the the Shire's zero-tolerance to fraud and corruption and their policies for the management of conflict of interests, gifts, benefits, and hospitality, and management of fraud and corruption. The letter should also include the request for suspected fraud and corruption to be reported to the Shire. A draft letter has been prepared and is attached in Appendix 5 .	Letter to all customers and suppliers implemented at the discretion of the shire's appointed Fraud & Corruption Officer.	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 4		Rating of Finding	
Code of Conduct		Medium	
<p>The Code of Conduct is included within the Policy Manual and Management Policy Manual. These relate to Council Members and staff accordingly. There is an opportunity to rationalise and have one document for Council and staff and identify where there may be specific elements which only apply to different people. We recognise the Department of Local Government Sports and Cultural Industries have suggested different Manuals.</p> <p>Implications</p> <p>Duplication of effort in having two policies with duplicate content.</p> <p>May lead Council, Management or staff to believe there is two levels of acceptable conduct.</p>			
Management Comments			
Agreed that there is merit in having one Code of Conduct for both elected members and staff.			
Recommendations	Agreed Action	Action Owner	Target Date
14. Consider rationalising the Code of Conduct within the Policy Manual and Management Policy Manual	Review of existing Code of Conduct contained in both the Policy Manual and Management Policy Manual	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 5			Rating of Findings
Financial Management Manual			Medium
<p>There is no approved Financial Management Manual within the Shire. A Financial Management Manual is a key prevention controls to identify the approved expected preventive, detective and response internal controls within the Shire. This would include the management of high fraud risk areas such as cash, assets, including IT assets.</p> <p>Implications</p> <p>Increased risk sound financial management reflecting better practice principles is not performed</p> <p>Increased risk employees do not have direction and understanding of the approved procedures to be performed for their area of responsibility.</p>			
Management Comments			
<p>Management is confident that existing measures in place significantly reduce the risk of fraud within the organisation, however agree that a formal documented Financial Management Manual has merit.</p>			
Recommendation	Agreed Action	Action Owner	Target Dates
15. Develop and implement a Financial Management Manual for the Shire.	Develop and implement a Financial Management Manual for the Shire	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 6			Rating of Findings
Rotation of Staff			Medium
<p>There is no documentation of the consideration of the rotation of staff to reduce fraud risk within the Shire. Rotation of staff in key fraud risk roles can reduce the risk of fraud via the timely identification of fraud risk indicators. Employees with a large leave balance are a high fraud risk. Employees should be encouraged to regularly take leave. The employees leave balances were requested but they were not provided by Management. We wanted to perform specific tests on this data set but were unable as they were not provided by Management. These may present a fraud risk and will need to be considered by Management.</p> <p>Impact: Increase in fraud and corruption risk within the Shire</p>			
Management Comments			
<p>The segregation of duties will always be an area raised in audit opinions as the Shire simply does not have the resources to employ additional staff to satisfy the concerns raised in audit options in relation to the segregation of duties.</p> <p>The shire does consider very carefully the position description of all staff to allow the greatest degree of segregation of duties as possible.</p> <p>Often it can be difficult for certain staff (particularly management) to take leave due to staff turnover or unavailability of suitable staff replacements, however management will look to reducing staff with excess leave in the next 12-24 month.</p>			
Recommendation	Agreed Action	Action Owner	Target Date
16. Consider rotating staff in key fraud risk areas periodically.	That where possible consideration will be given to the rotation of staff in areas considered at high risk of fraud.	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.2 Prevention (continued)

Finding 7			Rating of Finding
Fraud Risk Register and Fraud Risk Assessment			Medium
<p>A fraud and corruption risk assessment for the Shire is a key task in identifying and managing fraud and corruption risks. Recording of this assessment and the fraud risks within a register in the record keeping system provides evidence the risks are identified, being managed within risk appetite and monitored and reported by the Shire.</p> <p>We found during interviews and review of documentation, there is no consideration or assessment of the fraud and corruption risks which may be evident within the Shire. These have not been recorded within a Fraud Risk Register and being managed, monitored or reported to the Council on a regular basis.</p> <p>Implications</p> <p>Fraud risks are not being identified and managed within Risk Appetite.</p>			
Management Comment			
<p>While it may not be documented, management is confident that existing measures in place significantly reduce the risk of fraud within the organisation.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
17. Perform fraud risk assessments to identify fraud and corruption risks and include those risks in the Fraud Risk Register.	Fraud risk assessments to be documented and presented to the Audit Committee at least yearly.	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection

Finding 8			Rating of Finding
Fraud Risk Performance Indicators			Low
<p>Fraud risk performance indicators is informative external and internal information and/ or data used to analyse and benchmark industry trends. It is crucial for fraud-related data to be collected as it assists in identifying the kind of fraud and information that may give context to how, when, where and why the fraud happened, as well as who was involved.</p> <p>Some typical indicators include, but is not limited to, the following:</p> <ul style="list-style-type: none"> • Number of complaints about unauthorised transactions; • Number of invoice-splitting instances identified; • Number of credit cards reported stolen; • Number (and value) of fraud losses suffered; • Number (and value) of fraud losses within the industry; • Number of suspicious transactions detected and reported; • Number of staff exhibiting changes in working patterns; • Number of staff leavers without exit interviews; and • Number of staff resigned while under investigation. <p>Fraud Risk Performance Indicators are not used by the Shire to identify, monitor or report fraud and corruption risk. They can be used to monitor activity over time and identify fraud and corruption risk areas for further investigation. Key fraud performance indicators are tools that will enable you to detect and investigate any wrongdoing in some part of your business. The indicator by its presence can also help in prevention</p> <p>Implication</p> <p>The lack of fraud risk performance indicators may lead to unidentified fraud trends and poor management of fraud risks causing reputational damage to the Shire.</p>			
Management Comment			
<p>While it may not be documented, management is confident that existing measures in place significantly reduce the risk of fraud within the organisation.</p> <p>Fraud risk indicators would be documented as part of the Fraud Risk Assessment process.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
18. Develop and maintain fraud risk performance indicators to identify monitor and report fraud and corruption risks within the Shire .	Fraud risk assessments to be documented and presented to the Audit Committee at least yearly.	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 9	Rating of Finding
Fraud Detection Techniques	Medium
<p>Data Analytics</p> <p>Data analytics is the use of analytical software to identify fraud trends, patterns, anomalies and exceptions within data. Data analytics is especially useful when fraud is hidden in large data volumes and manual checks are insufficient. It can also be used to monitor the behaviour and conduct of employees and third parties.</p> <p>Relevant data comes from numerous sources and takes different forms such as:</p> <ul style="list-style-type: none"> • Accounting and financial data; • Procurement data; • Human resource data; • Customer data; • Vendor data; • Internal communications and documents; and external benchmarking data. <p>We note that data analytics is not used within the Shire as a technique to identify fraud and corruption risk areas and detect fraud. This can be a very powerful tool which can be used by internal and external audit and used internally by staff to assist with improving the detection of fraud risk areas and instances of fraud.</p> <p>Continuous Auditing</p> <p>A continuous audit is an internal process that examines accounting practices, risk controls, compliance, information technology systems, and business procedures on an ongoing basis. Continuous audits are usually technology-driven and designed to automate error checking and data verification in real-time. Continuous auditing of the Shire data is not performed to identify fraud risk areas such as transactions which are anomalous, represent an unexpected theme or pattern which can be followed up.</p> <p>Implication</p> <p>By not performing regular data analytics and continuous auditing practices, the Shire may miss identifying fraud and corruption risks on a timely basis, and fraud and corruption being committed, causing financial and reputational damage.</p>	
<p>Management Comment</p> <p>Agreed that the use of data analytics has merit in the detection of fraud & corruption.</p>	

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 9 (continued)			Rating of Finding
Fraud Detection Techniques (continued)			Medium
Recommendations	Agreed Action	Action Owner	Target Date
19. Develop and implement fraud detection techniques within the Shire. Consider the use of data analytics to assist in the detection and prevention of potential fraud.	Once appointed, allow the person responsible for review of fraud and corruption to look into the details of using data analytics for fraud prevention.	Robert Hicks	June 2022
20. Implement continuous monitoring tools in the Shire's financial management systems to detect and respond to exceptions identified.	The Shire's financial management systems to be reviewed on a regular basis and presented to the Audit Committee at least annually.	Robert Hicks	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 10	Rating of Findings
Debtor, Supplier and Payroll Management	High
<p>1. Debtor and Supplier Management</p> <p>We reviewed the Shire’s Policy Manuals and noted that it is not a requirement to perform due diligence on a company to be registered as a debtor or supplier. The Shire merely perform an ABN check and request the supplier’s bank details to register the company on the creditors listing.</p> <p>The Shire does not perform directorship searches on a company to identify any relationships between employees and the owners/directors of the company.</p>	
<p>2. Debtor Management</p> <p>a) We performed a review of the Debtors Listing and noted the following:</p> <ul style="list-style-type: none"> • There are twenty four (24) duplicate or triplicate debtors which have the same name (Table 1) • There are one hundred and forty (140) debtors which have duplicate, triplicate or quadruple addresses and 3 debtors who have blank addresses (Table 2) • There are three (3) debtors which have Executive names (Table 3) • There are eleven (11) debtors which have Elected Members names (4) or names which are consistent with Elected Member names (7) (Table 4) • There are six (6) debtors which have credit balances (Table 5) • There are ten (10) debtor accounts with do not use (Table 6) • There are two (2) debtor accounts with Shire of Coolgardie as the account name (Table 7) <p>b) We reviewed the Debtors Masterfile audit trail report for the period 1 July 2020 to 30 June 2021 as this what was provided by Management and being the first year of transition, and we identified</p> <ul style="list-style-type: none"> • There were twelve (12) people and one (1) entity name which accessed and modified the debtors masterfile on 382 occasions. (Table 8) • These twelve (12) people were crossmatched with the payroll information and their position titles at the time of performing the audit was in many instances unrelated to the finance function and it is unknown why these people would have access and permitted to make changes. (Table 8) • There was one (1) person who was not an employee of the Shire at the time of the audit. (Table 8) • There was one (1) person who resigned and then accessed and made changes to the debtor Masterfile after that date. (Table 8) <p>The details of the above have been included in Appendix 6 for your review, follow up or investigation. We have not performed any further procedures on these identified matters to confirm whether they are an actual fraud, corruption or misconduct related matter.</p> <p>These may represent a fraud risk as these are methods in which perpetrators use to commit and conceal fraudulent or corrupt transactions</p>	
<p>c) We requested but we did not receive</p> <ul style="list-style-type: none"> • the details of which debtors have not been used for more than 2 years. • the bank details of debtors • new debtors onboarded during the period including supporting documentation. We are unable to determine if they were onboarded in accordance with Shire policy. <p>We wanted to perform specific tests on these data sets but were unable to as they were requested but not provided by Management.</p> <p>These areas may also present a fraud risk and will need to be considered by Management.</p>	



4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 10 (continued)	Rating of Findings
Debtor, Supplier and Payroll Management (continued)	High
<p>3. Supplier Management</p> <p>a) We performed a review of the Creditors Listing and noted the following:</p> <ul style="list-style-type: none"> • There are five (5) duplicate or triplicate creditors which have the same account number (Table 9) • There are ten (10) supplier accounts which have blank account numbers (Table 9) • There are sixteen (16) supplier accounts with duplicate, triplicate or quadruple addresses and four (4) which have blank addresses. (Table 10) • There are six (6) creditors with do not use (Table 11) • There are five (5) creditors that have a last used date past their suspension date (Table 12) • There are thirty-four (34) suppliers which have not been used for more than 1 year (Table 13) • There are three (3) which have Executive names (1) or names which are consistent with Executive Member names (2) (Table 14) • There are six (6) which have Elected Member names (3) or names which are consistent with Elected member names (3) (Table 15) <p>b) We reviewed the Creditors Masterfile audit trail report for the period 1 July 2020 to 30 June 2021 as this what was provided by Management, as the first year of transition and we identified</p> <ul style="list-style-type: none"> • There were twelve (12) people and one (1) entity and one (1) position title which accessed and modified the debtors master file on 1250 occasions. (Table 16) • These twelve (12) people were crossmatched with the payroll information and their position titles at the time of performing the audit was in many instances unrelated to the finance function and it is unknown why these people would have access and permitted to make changes. (Table 16) • There was one (1) person which was not an employee of the Shire at the time of the audit. (Table 16) • There was one (1) person who resigned and then accessed and made changes to the creditor Masterfile after that date. (Table 16) <p>The details of the above have been included in Appendix 6 for your review, follow up or investigation. We have not performed any procedures on these matters. These may represent a fraud risk as these are methods in which perpetrators use to commit and conceal fraudulent or corrupt transactions</p> <p>c) We requested but we did not receive</p> <ul style="list-style-type: none"> • the details of inactive creditors • details of creditors balances to identify which have debit balances • new vendors onboarded during the period including supporting documentation. We are unable to determine if they were onboarded in accordance with Shire policy. <p>We wanted to perform specific tests on these data sets were unable to as they were not provided by Management.</p> <p>These areas may also present a fraud risk and will need to be considered by Management.</p>	

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 10 (continued)	Rating of Findings
Debtor, Supplier and Payroll Management (continued)	High
<p>4. Payroll Management</p> <p>a) We requested the supporting documentation for terminated employees. Management advised there was twenty four (24) employees terminated during the period January 2021 to 24 September 2021. Of these twenty four (24):</p> <ul style="list-style-type: none"> • there was no evidence of exit interviews and exit checklists performed for any of them (Table 17) Exit interviews are a method to identify underlying ethical or cultural matters by exiting staff or allegations of fraud or corruption. • there was eighteen (18) employees with no evidence of resignation letters (Table 17) <p>b) We performed a review of the payroll listing and noted the following:</p> <ul style="list-style-type: none"> • There were two (2) terminations which had anomalies with the termination date and last paid date There were two (2) individuals who were last paid more than a month after their termination. (Table 18) • There were thirty (30) people who had similar surname as someone else within the Shire. (Table 19) • There were twenty eight (28) people who had duplicate or triplicate addresses. (Table 20) • There were two (2) people who were consistent with Executive Staff names. (Table 21) • There were three (3) people who were consistent with Elected Member names. (Table 22) <p>The details of the above have been included in Appendix 6 for your review, follow up or investigation. We have not performed any procedures on these matters. These may represent a fraud risk as these are methods in which perpetrators use to commit and conceal fraudulent or corrupt transactions</p> <p>c) We requested but we did not receive</p> <ul style="list-style-type: none"> • Payroll audit trail report • Details of employees onboarded during the period including supporting documentation. We were not provided with any of the supporting documentation required in the recruitment, appointment and induction of employees as required within the Shire’s HR Manual. <p>We wanted to perform specific tests on these data sets were unable to as they were not provided by Management. These areas may also present a fraud risk and will need to be considered by Management.</p> <p>Implications</p> <p>The lack of debtor and vendor vetting and maintenance of the vendor master file (Creditors Listing) and undeclared interests may increase fraud risk, affecting credibility and financial performance of the Shire.</p> <p>Undeclared interests and possible employee/supplier relationships is a fraud risk indicator and warrant further investigation</p>	

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.3 Detection (continued)

Finding 10 (continued)			Rating of Findings
Debtor, Supplier and Payroll Management (continued)			High
Management Comment			
<p>Debtors, creditors & payroll maintenance is currently reviewed on a regular basis and audit trails are run, signed & reviewed prior to all payments.</p> <p>Incorrect statement that there was no evidence of termination letters for 18 staff.</p> <p>The list of terminated employee also includes casual employee who are not required to provide termination letters.</p> <p>Staff and management are aware of duplicate files but have maintained existing records rather than deleting such records to maintain an audit file as most of the duplicate files have records attached</p> <p>Staff are aware of the need to declare transactions to suppliers and are required to complete annual related party declarations</p> <p>Agreed that more care is required when setting up new debtors, creditors and payroll file to reduce duplication of records</p>			
Recommendations	Agreed Action	Action Owner	Target Date
21. Implement a due diligence process before registering debtors and suppliers on the Shire information system.	New debtors & suppliers to be reviewed by a senior employee prior to creating new records	Robert Hicks	June 2022
22. Review the debtor and creditor listing and deregister and / or remove any debtors/ creditors that have not been used over the past two financial years and implement a program to regularly maintain these listings.	Debtor & Creditor listings reviewed periodically and duplicate files maintained as an audit trail	Robert Hicks	June 2022
23. Retain supporting documents unable to be provided in the report, investigate the matters identified within the report and potential relationships between employees and the debtors and suppliers/ service providers and implement appropriate corrective action for those matters and relationships found to be irregular. Remind staff of the need to declare interests and conflicts of interests.	Training to be provided on an ongoing basis to assist existing & new staff with understanding the different processes and legislation in place.	Danielle Fleet	June 2022
	Related party declarations completed annually.	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response

Finding 11			Rating of Finding
Public Interest Policy and Procedure			Low
<p>Public Interest Disclosures is a method on which members of the community, Council, Management, and staff can report a suspected fraud or corruption anonymously and have the protection of the Public Interest Disclosure Act 1993. There are obligations public sector entities have to comply with including having adequate policies and procedures and reporting obligations. It is a way to ensure that public sector agencies demonstrate a robust method of investigation of suspected fraud and corruption. Non compliance can result in fines and criminal liability.</p> <p>Currently, there is no Public Interest Disclosure Policy or Procedures within the Shire. We acknowledge there was a PID Policy within the Policy Manual and it was approved to be withdrawn from the Policy Manual at the Ordinary Council meeting on 23 February 2021 on the basis there will be detailed policy written by the Chief Executive Officer and included within the Management Policy Manual</p> <p>Implications</p> <p>Suspected fraud and corruption may not be reported within the Shire by those people who do not wish to disclose their identify</p> <p>Non-compliance with the Public Interest Disclosure Act 1993</p>			
Management Comment			
<p>The lack of a Public Interest Disclosure Policy does not restrict an elected member, employee or member of public from reporting any suspicions of fraudulent activity under the Public Interest Disclosure Act 1993.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
24. Develop and implement a Public Interest Disclosure, Policy and Procedures to support the Shire's obligations under the Public Interest Disclosure Act 1993 and Regulations	Council to look at implementing a Public Interest Disclosure Policy as part of the review process of the Shire's Policy Manual	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 12			Rating of Finding
Public Interest Disclosure Officers			Low
<p>Public Interest Disclosure (PID) Officers have responsibilities under the Public Interest Disclosure Act 1993. The Shire is responsible for appointing PID Officers to perform these responsibilities.</p> <p>There is no PID Officers identified within the Shire website, intranet or PID Officer Contact Director held by the Public Sector Commission.</p> <p>Implications</p> <p>The lack of PID resourcing at various appropriate levels may impact the quality and timely completion of matters reported causing reputational damage to the Shire. It may also reduce the incident of staff reporting suspected fraud and corruption.</p> <p>Non-compliance with Public Interest Disclosure Act 1993.</p>			
Management Comment			
<p>Acknowledged that the at least one PID Officer is required to be appointed by the Shire as per the Public Interest Disclosure Act 1993</p>			
Recommendations	Agreed Action	Action Owner	Target Date
25. Appoint at least two PID Officers for the Shire and promote them on the Shire's intranet and website.	The Shire appoint at least one PID Officer as required under the Public Interest Disclosure Act 1993	Danielle Fleet	June 2022
26. Include the approved PID Officers on the Shire's Public Sector Commission PID Officer Contact Directory	PID Officer to be listed on the Shire's website and intranet	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 13			Rating of Finding
Fraud and Corruption Incident Register and Public Interest Disclosure Register			Medium
<p>As outlined in the Standard, entities should develop and implement a program for the capturing, reporting, analysis and escalation of all detected fraud and corruption incidents. This program would be aimed at ensuring that fraud and corruption incidents that occur with or without the knowledge of senior management are reported. Organisations should establish a Fraud and Corruption Register and ensure that all incidents occurring are entered therein.</p> <p>It is our understanding that the Shire does not have a Fraud and Corruption Incident Register which identifies the suspected and actual fraud and corruption, the actions taken to assess, investigate, monitor, and report the outcomes from the investigation and to identify the lessons learned.</p> <p>We also understand the Shire does not have a PID register. We therefore do not understand the extent of matters which have been identified as public interest disclosures.</p> <p>Implications</p> <p>The lack of a Fraud and Corruption Incident Register and reporting of themes, patterns and root cause may cause the Shire to miss fraud and corruption indicators and reduce the opportunity to prevent future fraud risk.</p> <p>The lack of Public Interest Disclosure Register reduces the effectively manage, monitor and report the matters which have been identified as public interest disclosures and to meet compliance requirements under the Public Interest Disclosure Act 1993.</p>			
Management Comment			
There is currently no Fraud and Corruption Incident Register as no incidents of suspected fraud have been reported.			
Recommendations	Agreed Action	Action Owner	Target Date
27. Develop and implement, as part of the overall Fraud and Corruption Control Framework, a Fraud and Corruption Incident Register.	Fraud and Corruption Incident Register to be implemented and maintained.	Danielle Fleet	June 2022
28. Introduce a process to regularly review the Fraud and Corruption Incident Register to identify and respond to fraud trends and to report these to the Council, Audit Committee or Executive Leadership Team.	Any incidents recorded in the Fraud and Corruption Incident Register to be auctioned in a prompt manner by management and tabled at the next scheduled Audit Committee meeting.	Danielle Fleet	June 2022
29. Develop and implement as part of the overall Fraud and Corruption Control Framework a Public Interest Disclosure Register.	Public Interest Register to be implemented and maintained.	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 14			Rating of Finding
Fraud and Corruption and PID Hotline			Medium
<p>A Fraud and Corruption and Public Interest Disclosure Hotline is a method which Council, Management, staff, suppliers, customers, contractors, volunteers or the community can use to report suspected fraud and corruption. It also can be used anonymously which can increase the disclosure rate of suspected fraud and corruption.</p> <p>We noted that there is no Fraud and Corruption or Public Interest Disclosure Hotline for Council, Management, staff, suppliers, customers, contractors, volunteers, or the community to report suspected fraud or corruption or public interest disclosures, including anonymous disclosures. There is no reference to this on the Shire's website or intranet.</p> <p>Implications</p> <p>The lack of alternatives may impact the quality and timely completion of matters reported causing reputational damage to the Shire.</p> <p>It may also reduce staff reporting suspected fraud and corruption.</p>			
Management Comment			
Management do not see the need to have a dedicated Public Interest Disclosure Hotline.			
Recommendations	Agreed Action	Action Owner	Target Date
30. Consider implementing an internal fraud and corruption and PID hotline Council, Management, staff, suppliers, customers, contractors, volunteers, and the community to report suspected fraud and corruption related incidents and / or allegations, including anonymous disclosures. This may be an external hotline provided by a consultant to provide an independent service and to assist with resourcing.	Management do not see the need to have a dedicated Public Interest Disclosure Hotline. No further action required.	Danielle Fleet	N/A

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 15		Rating of Finding	
Complaints Handling		Medium	
<p>A Complaints Management Policy can be key for a local government to encourage Council, Management, staff, contractors, volunteers, customers and suppliers to provide feedback to report suspect fraud and corruption to improve policy, procedures and practice. A Complaints Register is also a key repository to identify the instances and regularity of complaints which have been raised. Themes and patterns can be reported to Council, the Audit Committee and Executive to improve policy, procedures and practice.</p> <p>There is no Complaints Management Policy for staff. We acknowledge there is one for Council and Elected Members within the Policy Manual.</p> <p>The Complaints Management Policy within the Policy Manual currently references the superceded Quality Management Customer Satisfaction- Guidelines for complaints handling in organisations as 2009 and not the current 2018 version.</p> <p>The Complaints Register also does not appear to be current, with the last complaint being recorded in 2015.</p> <p>Implications</p> <p>Complaints Management Policy improves the ethical culture of an organisation, increases the reporting of suspected fraud and corruption.</p>			
Management Comment			
<p>The Complaints Register is only required for complaints against elected members under s 5.121 of the Local Government Act 1995 and is up to date with the last complaint required to registered done so in 2015.</p> <p>The Complaints Management Policy already makes provision for council members, employees and contractors at the Shire of Coolgardie.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
31. Develop and implement a Complaints Policy which includes Management, staff, contractors and volunteers.	The Complaints Management Policy already makes provision for council members, employees and contractors at the Shire of Coolgardie. No further action required	Danielle Fleet	N/A
32. Review and revise the Complaints Management Policy to ensure it is current and compliant with standards and better practice principles which may include the Ombudsman of WA Principles of Effective Complaint Handling .	Complaints Management Policy to be reviewed with other Shire Policies on a regular basis in accordance with the Local Government Act 1995.	Danielle Fleet	In accordance with the LG Act 1995
33. Implement the Complaints Register and reinforce its use to Management and staff.	Complaints Register in place. No further action required.	Danielle Fleet	N/A

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 16			Rating of Finding
Disciplinary Policy and Grievance Policy			Medium
<p>A Disciplinary Policy and Grievance Policy can be key for a local government to encourage Council, Management, staff, contractors, volunteers, customers, and suppliers to provide feedback to report suspected fraud and corruption to improve policy, procedures and practice. A Disciplinary Policy will provide assurance to disclosures the process they can expect suspected perpetrators of fraud to go through for allegations of fraud and corruption. It will also outline the same process to suspected perpetrators of fraud and corruption of their expectation of the process</p> <p>There is no Disciplinary Policy or Grievance Policy for staff to raise matters during the course of their employment.</p> <p>Implications</p> <p>Increased understanding of process for suspected fraud and corruption.</p> <p>Increase reporting of suspected fraud and corruption</p> <p>Improved timeliness of close out of fraud and corruption investigation</p>			
Management Comment			
<p>A grievance policy has merit.</p> <p>Unsure if a Disciplinary Policy is going to highlight suspected fraud perpetrators.</p>			
Recommendations	Agreed Action	Action Owner	Target Date
34. Develop and implement a Disciplinary Policy and Grievance Policy for staff	Consider the need to implement either a Disciplinary or Grievance Policy	Danielle Fleet	June 2022

4. OBSERVATIONS AND RECOMMENDATIONS (CONTINUED)

4.4 Response (continued)

Finding 17			Rating of Finding
Reporting to the Executive, Audit Committee or Council			Medium
<p>Reporting to the Council. Audit Committee and Executive Leadership Team about suspected fraud and corruption events, development of fraud and corruption framework, and fraud and corruption training and awareness programs, improves the understanding of fraud and activities within the Shire.</p> <p>There is no reporting of any fraud and corruption activities to the Executive, Audit Committee, or Council.</p> <p>Implications</p> <p>Lack of understanding of where the fraud and corruption risks are within the Shire.</p>			
Management Comment			
Agreed that reporting for any suspected fraud & corruption activity should be brought to the attention of the Audit Committee as soon as practically possible.			
Recommendations	Agreed Action	Action Owner	Target Date
35. Implement regular reporting of fraud and corruption reporting to the Executive, Audit Committee, and Council on a regular basis.	Any suspected fraud & corruption activity brought to the attention of the Audit Committee as soon as practically possible.	Robert Hicks	As required

5 OTHER

5.1. Disclaimers

Moore Australia (WA) Pty Ltd as agent, an independent member of Moore Global Network Limited, and a Perth based partnership of trusts carries on business separately and independently from other Moore Global Network Limited member firms worldwide.

Services provided under this engagement are provided by Moore Australia (WA) Pty Ltd as agent and not by any other independent Moore Global Network Limited member firms worldwide. No other independent Moore Global Network Limited member has any liability for services provided.

5.2. Basis of Use

This report has been prepared in accordance with the objectives and approach agreed in the engagement document and subject to the following limitations:

- Other than use by you for the purpose, our report cannot be issued, accessed, or relied upon by any third party without our prior written approval. Furthermore, neither the report nor extracts from it will be included in any document to be circulated to other third parties without our prior written approval of the use, form, and context in which it is proposed to be released. We reserve the right to refuse to grant approval to issue the reporting to any other party.
- Our internal audit work was performed in accordance with the International Standards for the Professional Practice of Internal Auditing contained in the International Professional Practices Framework issued by the Institute of Internal Auditors. It did not constitute an audit or review in accordance with standards issued by the Auditing and Assurance Standards Board and accordingly no such assurance under those standards is provided in this report.
- The matters raised in this report are only those which came to our attention while performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and

detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

- We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to statements and representations made by, and the information and documentation provided by, Management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the client. The Internal Audit findings expressed in this report have been formed on the above basis.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.

5.3. Conflicts of Interest

The firm is not aware of any existing or potential relationship, transaction or holding that would compromise its objectivity in the conduct of the services rendered. Should the possibility of a perceived or actual conflict arise the matter would be raised with the Chief Executive Officer immediately and activities suspended until the issue was resolved to your satisfaction.

5.4. Liability

Moore Australia (WA) Pty Ltd trading as agent – ABN 99 433 544 961, an independent member of Moore Global Network Limited - members in principal cities throughout the world.

Liability limited by a scheme approved under Professional Standards Legislation.

APPENDIX 1: FRAUD AND CORRUPTION MATURITY MODEL

Shire of Coolgardie Fraud and Corruption Control					
Maturity Rating	Basic	Developing	Operational	Integrated	Leading Practice
Description	Nothing or almost nothing exists for the element	Some parts of this element exist; application on different levels is inconsistent	Element is defined and consistently applied on some but not all levels	Element is defined with more detail and applied consistently on most levels	Element is defined in detail and consistently applied on all levels involved
Planning and Resourcing				Maturity Ratings (inc. Findings Reference)	Overall Maturity Rating
1. Fraud and Corruption Policy, Framework and Plan				Basic – 1	Basic
2. Appointment of a Fraud Control Officer for Fraud and Corruption and PID process including the responsibility for the planning and resources, prevention detection, and response.				Basic – 2	
3. External assistance considered to assist the Fraud Control Officer				Basic – 2	
4. Fraud Control responsibilities are clearly defined				Basic – 2	
5. Adequate budget and resources for fraud and corruption activities				Basic – 2	
Prevention				Maturity Ratings	Overall Maturity Rating
1. Implementing and maintaining an integrity framework.				Basic – 1	Basic
2. Ensuring "tone at the top" through Senior Management commitment to controlling the risk of fraud and corruption				Basic	
3. Line management accountability for controlling fraud and corruption within their business unit				Basic – 2	
4. Maintaining a strong internal control system				Basic – 1-17	
5. Fraud and corruption risk assessment				Basic – 7	
6. Communication and awareness of fraud and corruption				Basic – 3	
7. Employment screening (pre-employment and on internal promotion or transfer)				Basic – 10	
8. Policy dealing with taking annual leave and job rotation				Basic – 6	
9. Supplier and customer vetting				Basic – 10	
10. Management of Conflict of Interests, Gifts, Benefits and Hospitality				Separate Audit	
11. Specific initiatives aimed at controlling the risk of fraud and corruption				Basic – 9	

APPENDIX 1: FRAUD AND CORRUPTION MATURITY MODEL (CONTINUED)

Shire of Coolgardie Fraud and Corruption Control (continued)					
Maturity Rating	Basic	Developing	Operational	Integrated	Leading Practice
Description	Nothing or almost nothing exists for the element	Some parts of this element exist; application on different levels is inconsistent	Element is defined and consistently applied on some but not all levels	Element is defined with more detail and applied consistently on most levels	Element is defined in detail and consistently applied on all levels involved
Detection				Maturity Ratings (inc. Findings Reference)	Overall Maturity Rating
1. Fraud and corruption detection program				Basic – 8	Basic
2. Fraud Risk Performance Indicators implemented				Basic – 8	
3. Defining the external auditor’s role in the detection of fraud				Basic – 1, 3	
4. Defining the internal auditor’s role in the detection of fraud				Basic – 3, 3	
5. Mechanisms for reporting suspected fraud and corruption incidents				Basic- 1, 14	
6. Implementing a fraud and corruption control detection program outside of the PID process				Basic – 11, 12, 13	
7. Implementing an effective Public Interest Disclosure Program				Basic 11-14	
8. Use of data analytics by Management and continuous auditing to detect fraud risk areas				Basic 9	
Response				Maturity Ratings	Overall Maturity Rating
1. Effective investigation of detected or suspected incidents of fraud and corruption outside of the PID Program				Basic -1	Basic
2. Effective investigation of detected or suspected incidents of fraud and corruption within the PID Program				Basic-11-14	
3. Internal control review and lessons learned following discovery of fraud				Basic- 1	
4. Disciplinary procedures				Basic - 16	
5. External reporting (Police, ASIC)				Basic- 17	
6. Proceedings to recover the proceeds of fraud or corruption				Basic 17	
7. Internal reporting to the Audit, Finance and Risk Committee and Board				Basic – 17	

(*) Out of Scope – We have not tested the effectiveness of the PID Program within this engagement.



APPENDIX 2: KEY PERSONNEL CONTACTED

We would like to thank the following key personnel for their assistance in the conduct of this audit.

Name	Role
James Trail	Chief Executive Officer
Julie Copley	Manager Executive Services.
Jackie Pilkington	Executive Assistant Chief Executive Officer

APPENDIX 3: KEY TO SIGNIFICANCE OF RISK RATING

Risk Matrix

		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	1	Medium	High	High	Extreme	Extreme
Likely	2	Medium	Medium	High	High	Extreme
Possible	3	Low	Medium	Medium	High	High
Unlikely	4	Low	Low	Medium	Medium	High
Rare	5	Negligible	Low	Low	Medium	Medium

Likelihood Ratings

Likelihood	Definition	Frequency of Noted
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year
Likely	Occurrence is noticeable or is likely to occur. An opportunity that has been explored and may be achievable.	At least once per year
Possible	Occurs occasionally or may occur. Possible opportunity identified.	At least once in 5 years
Unlikely	Occurs infrequently or is not likely to occur. Opportunity that is fairly unlikely to happen.	At least once in 10 years

APPENDIX 3: KEY TO SIGNIFICANCE OF RISK RATING (CONTINUED)

Consequence Ratings

Consequence Ratings						
Description	Performance	Financial	Environment	Reputation	Service Delivery /Business Disruption	Legislative / Regulatory / Policy /OSH
Catastrophic	Unable to achieve key objectives. External resources required. Ongoing loss of critical infrastructure.	>15% of asset value. Adverse >15% deviation from budget. Audit unable to be completed.	Catastrophic long term environmental harm.	Significant damage to public confidence leading to sustained compromise in the achievement of strategic objectives.	Major, including several important areas of service and/or a protracted period. Ongoing loss of business systems.	Criminal instances of regulatory non-compliance. Extreme breaches of Code of Conduct. Personal details compromised / revealed – all. Death.
Major	Major impact on ability to achieve key objectives. Impact cannot be managed with current allocated resources. Long-term loss of critical infrastructure.	5%-15% of asset value. Adverse 5%→15% deviation from budget. Audit qualification on the report and accounts.	Significant long-term environmental harm.	Local publicity of a major and persistent nature, affecting the perception/standing within the community.	Complete loss of an important service area for a short period. Major disruption to business processes.	Major revenue or cost implications. Individuals at risk of harm. Significant breaches of Code of Conduct. Personal details compromised / revealed – many. Multiple serious injuries.
Moderate	Moderate impact on ability to achieve key objectives. Significant adjustment to resource allocation. Loss of support infrastructure.	2%-5% of asset value. Adverse 2%→5% deviation from budget. Management letter contains significant issues.	Significant short-term environmental harm.	Damage to reputation to a specific audience, may not have significant long-term or community effects.	Major effect to an important service area for a short period, brief impact on multiple areas. Moderate disruption to business processes.	Minor revenue or cost implications. Breach of Code of Conduct. Personal details compromised / revealed – some. Serious injury and/or illness.
Minor	Minor impact on ability to achieve key objectives. Additional internal management efforts required. Interruption to support infrastructure.	< 2 of asset value. Adverse impact on revenues and costs <2% deviation from budget. Management letter contains minor issues.	Minor transient environmental harm.	Minor damage to reputation to a small audience, complaint from a large group of people.	Brief disruption of important service area. Noticeable effect to non-crucial service area. Minor disruption to business processes.	Minor breaches of Code of Conduct. Personal details compromised / revealed – isolated. First aid or minor lost time injury.
Insignificant	Negligible impact on ability to achieve key objectives. Impact can be managed through routine activities. Negligible interruption to support infrastructure.	Insignificant loss. Insignificant adverse impact on annual revenue or costs. Matters discussed with management not reported.	Negligible transient environmental harm.	Minor unsubstantiated publicity or damage to reputation to a small audience, complaint from individual/small group.	Negligible impact on the effectiveness of the organisation's processes. Negligible disruption to business processes.	Little or no impact to Code of Conduct. Personal details compromised / revealed - an individual's. Incident with or without minor injury.

APPENDIX 4: PROPOSED FRAUD AND CORRUPTION SURVEY

Shire of Coolgardie Fraud and Corruption Survey

Background

As part of its governance framework, the Shire has an internal audit function. The role of the internal auditors is to monitor key aspects of the Shire's activities, to review the compliance with policy and procedures, to consider sound and better practice principles and to provide improvements to the Board and Audit, Finance and Risk Committee.

Moore Australia (WA) is a local firm of Chartered Accountants located in the Perth CBD and they have been appointed as the Shire's internal auditors.

The Shire has asked Moore Australia (WA) to conduct an internal audit of the Fraud and Corruption practices within the Shire of Coolgardie. The objective of the Fraud and Corruption internal audit is to assess the adequacy and effectiveness of the Shire's fraud and corruption framework, including planning, prevention, detection and response.

As part of this internal audit, Moore Australia (WA) have prepared a Fraud and Corruption Survey for Council, Management, and staff to complete.

The objective of the Fraud and Corruption Survey is to understand the extent of understanding within the organisation on the roles and responsibilities of fraud and corruption, how to report it, how to prevent it, and our understanding of risk areas for fraud.

The results of the Fraud and Corruption Survey will be presented to the Council and the Audit Committee and to inform the fraud and corruption framework including planning, prevention, detection, and response within the Shire.

Instructions

The survey has 19 questions which you are asked to complete.

We kindly request everyone to complete all of the questions in the survey by TBA.

The survey is expected to take 5 minutes to complete.

The respondents to the survey are anonymous. For respondents who would like to identify themselves so that follow up discussions can be held then there is an option to provide your details.

If you have any questions prior to or when completing the survey, you can contact the following:

Mrs Michelle Shafizadeh

Director, Governance and Risk Advisory

Moore Australia (WA)

Work: 9224 0147

Mobile: 0412 176 854

Work Email: michelle.shafizadeh@moore-australia.com.au

APPENDIX 4: PROPOSED FRAUD AND CORRUPTION SURVEY (CONTINUED)

Survey Questions

Please complete the following questions.

- 1) **Do you understand what constitutes fraud or corruption within the Shire of Coolgardie?**
 - a) Yes
 - b) No
 - c) I'm not sure

- 2) **Does the Shire of Coolgardie have someone responsible for the management of fraud or corruption including planning, prevention, detection, and response?**
 - a) Yes, CEO
 - b) Yes, PID Officers
 - c) Yes, Chief Commercial Officer
 - d) Yes, Chief Operating Officer
 - e) No
 - f) I'm not sure

- 3) **Does the Shire of Coolgardie have a zero tolerance to fraud and corruption?**
 - a) Yes, I believe Shire of Coolgardie do not tolerate any fraud or corruption.
 - b) No, I believe Shire of Coolgardie tolerate some minor fraud or corruption.
 - c) No, I believe Shire of Coolgardie tolerate some moderate fraud or corruption.
 - d) No, I believe Shire of Coolgardie tolerate major fraud or corruption.
 - e) Definitely not. I believe there are numerous examples of major, moderate and minor fraud or corruption which have had no consequences.
 - f) I'm not sure.

- 4) **Do you believe the Shire of Coolgardie have fraud and corruption policies and procedures in place, which includes planning, prevention, detection, and response?**
 - a) Yes
 - b) No
 - c) I'm not sure

- 5) **Have you received any fraud and corruption awareness training, newsletters, publications arranged by the Shire of Coolgardie?**
 - a) Yes, Less than three months ago
 - b) Yes, More than three months ago but less than six months ago
 - c) Yes, More than six months ago
 - d) Yes, More than 12 months ago
 - e) No never received fraud and corruption awareness training at the Shire of Coolgardie.

- 6) **Do you know who to report suspected fraud or corruption?**
 - a) Yes, Line Manager
 - b) Yes, Public Interest Disclosure Officer
 - c) Yes, CEO
 - d) Yes, Port Regional Manager
 - e) Yes, HR Manager
 - f) No

- 7) **Do you know how to report suspected fraud and corruption?**
 - a) Yes
 - b) No
 - c) I'm not sure

- 8) **Would you feel more comfortable reporting fraud or corruption if it was investigated independently (i.e. outside of Shire of Coolgardie)?**
 - a) Yes
 - b) No

APPENDIX 4: PROPOSED FRAUD AND CORRUPTION SURVEY (CONTINUED)

Survey Questions (continued)

- 9) Are you confident suspected fraud or corruption will be investigated thoroughly by the Shire of Coolgardie?
- a) Yes
 - b) No
 - c) I'm not sure
- 10) Are you aware you can report suspected fraud or corruption anonymously via a Public Interest Disclosure?
- a) Yes
 - b) No
- 11) Do you know who to report a Public Interest Disclosure?
- a) Yes, to the CEO or Company Secretary
 - b) Yes, to my Line Manager
 - c) Yes, to the Port Regional Manager
- 12) Do you know how to report a Public Interest Disclosure?
- a) Yes
 - b) No
- 13) Are you aware of your reporting obligations for offered gifts, benefits and hospitality?
- a) Yes
 - b) No
- 14) Are you aware of someone within the Shire of Coolgardie currently receiving undeclared gifts, benefits or hospitality in return for favourable decisions or outcomes?
- a) Yes
 - b) No
- 15) Are you aware of your reporting obligations for perceived, actual or potential conflicts of interest?
- a) Yes
 - b) No
- 16) Are you aware of any actual, perceived, or potential conflicts of interests which have not been declared to the Shire of Coolgardie?
- a) Yes
 - b) No
- 17) Are you aware of any suspected fraud or corruption within the Shire of Coolgardie?
- a) Yes, but I have not reported it.
 - b) Yes, I have reported it, but nothing has happened.
 - c) Yes, I have reported it and an investigation is in progress.
 - d) Yes, I have reported it and an investigation has been completed.
 - e) I know of some unethical behaviour but I am not sure if it is worth reporting.
 - f) No I have not reported it.
- 18) Where would you be most comfortable to report suspected fraud and corruption?
- a) Direct line manager.
 - b) CEO.
 - c) Public Interest Disclosure Officer.
 - d) WA Police.
 - e) Corruption and Crime Commission.
 - f) External Auditors (i.e. Office of the Auditor General).
 - g) Internal Auditors (i.e. Moore Australia WA).
 - h) No one, as it is not my problem.
 - i) No one, as I fear victimization.

APPENDIX 4: PROPOSED FRAUD AND CORRUPTION SURVEY (CONTINUED)

Survey Questions (continued)

- 19) What do you think is the most high-risk area within the Shire of Coolgardie for fraud or corruption?
- a) Recruitment and selection of new employees.
 - b) Procurement.
 - c) Collusion with service providers.
 - d) Provision of gifts, benefits and hospitality to bias a decision.
 - e) Non-declaration of interests or conflicts of interests.
 - f) Usage of Port facilities without proper authority, leases or agreements in place.
 - g) Theft of assets.

Time and attendance.

Additional Comments

We would appreciate any comments and/ or feedback on fraud and corruption at Shire of Coolgardie and invite you to provide these below.

(free text)

THANK YOU FOR TAKING THE TIME TO PARTICIPATE IN THIS SURVEY

Participant Details

Name (optional): _____

Branch (optional): _____

Location (optional): _____

Contact details (optional): _____

APPENDIX 5: PROPOSED FRAUD AND CORRUPTION LETTER TO CUSTOMERS AND SUPPLIERS

Date

Name
Position
Name of Supplier
Address

Dear CEO

Shire of Coolgardie

Your company is a valued supplier/ customer of Shire of Coolgardie ("the Shire").

The Shire have requested our internal auditors, Moore Australia (WA) ("Moore"), to perform an internal audit of our fraud and corruption framework, policies, and procedures to understand our maturity and any improvement opportunities.

The Shire have a zero tolerance to fraud and corruption, and a strong Code of Conduct and Ethics. We are very supportive of the internal audit and seeking to understand where our framework, policies and procedures can be enhanced, our compliance with our framework and policies, and where further training can be performed.

As part of their internal audit procedures, Moore would like to seek confirmation from you of:

1. the existence of any relationships with any Board Member, Management, staff, volunteer, or contractor which you are aware of which may pose a potential, perceived or actual conflict of interest with their professional duties at the Shire;
2. the provision of any offers of gifts, benefits, or hospitality over \$50 in value provided to any Board Member, Management, staff, volunteer, or contractor during the period 1 July 2020 to 30 June 2021. We understand these may have been provided in the normal professional business relationship and without seeking any direct favour or bias. We would like to understand the offers of gifts, benefits, or hospitality regardless of whether they were accepted or declined.

Gifts, benefits, or hospitality may include, but not limited to, money, food, wine, hospitality provided at meetings, Christmas gifts, thank you gifts, promotional items, preferential treatment, accommodation, tickets, or invitation to any events; and

3. any suspected fraud or corruption you are aware of within the Shire.

We kindly ask you please respond directly to the three questions above to our internal auditors within 10 days from the date of this letter, via the Director of Governance and Risk Advisory, Mrs Michelle Shafizadeh on michelle.shafizadeh@moore-australia.com.au.

We thank you for your time in responding to this request.

If you would like to discuss this letter, please contact Mrs Michelle Shafizadeh directly on 9 224 0147 or 0412 176 854 or on the above email.

Yours sincerely,

(Signature)

James Trail
Chief Executive Officer



APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT

Debtors List – Duplicate Names	
Name	No. of duplicates
AMY REYNOLDS	2
Ann-Marie Mia HICKS	2
CANNINGVALE PRIMARY SCHOOL	2
CATER CARE SERVICES PTYLTD	2
CENTRECARE	2
CITY OF KALGOORLIE BOULDER	2
D J MCGINTY & CO.	2
DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES	4
DOUBLEVIEW PRIMARY SCHOOL	2
DR GRAHAM JACOBS MLA	2
GOLDEN CITY MOTORS	2
Holcim (Australia) Pty Ltd	2
INDEPENDENCE LONG PTY LTD	2

Debtors List – Duplicate Names	
Name	No. of duplicates
JAMES TRAIL	3
JOONDALUP PRIMARY SCHOOL	2
KALGOORLIE MONUMENTAL WORKS	2
KAMBALDA HOTEL	2
KYLE MCGINN MLC	2
MLG OZ PTY LTD	2
PENNY PRESS	2
SHIRE OF COOLGARDIE	2
SHIRE OF WILUNA	2
XX Do Not Use WESTRALIAN DIAMOND DRILLERS PTY LTD XX	2
xxx do not use OIL & SPICE CAFE -	2
Total Unique Names: 24	Total Duplicates: 51

Table 1

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors List – Duplicate/Blank Addresses	
Address	No. of duplicates
Blank Address	3
1 EAST STREET KALGOORLIE WA 6430	2
1 GIMLET COURT KAMBALDA WA 6442	3
11 STURT PEA CRESCENT KAMBALDA WEST WA 6442 AUSTRALIA	2
118-205 BOULDER ROAD KALGOORLIE WA 6430 AUSTRALIA	2
150 BLUE MOUNT DRIVE JOONDALUP WA 6027 AUSTRALIA	2
16 BROCK WAY ROAD MT CLAREMONT WA 6010	2
168 EGAN STREET KALGOORLIE WA 6430	2
2 HUNT STREET COOLGARDIE WA 6429	2
203 BRIGIDS TERRACE DOUBLEVIEW WA 6018	2
21 EPIS STREET KALGOORLIE WA 6430	3
2136 WOODWARD STREET COOLGARDIE WA 6429	2
22 BLUEBUSH ROAD KAMBALDA WA 6442	2
22 WELLS ROAD PINJARRA WA 6442 AUSTRALIA	2
242 VARDEN STREET KALGOORLIE WA 6430	2
27 STURT PEA CRESCENT KAMBALDA WEST WA 6442	2
3/39 CEDRIC ST OSBORNE PARK DC WA 6021	2
31 POWERS ROAD SEVEN HILLS NSW	2
32 HUNT STREET COOLGARDIE WA 6429 AUSTRALIA	2

Debtors List – Duplicate/Blank Addresses	
Address	No. of duplicates
4 DOWNEY WAY KALGOORLIE WA 6430	2
46 SHAW STREET COOLGARDIE WA 6429	2
48 BAYLEY STREET COOLGARDIE WA 6429	2
52-54 BAYLEY STREET COOLGARDIE WA 6429	2
65 MORGANS STREET RAVENSTHORPE WA 6346 AUSTRALIA	2
7 LARKIN STREET KAMBALDA WA 6442	2
74 FORREST STREET COOLGARDIE WA 6429	2
79 MACDONALD STREET COOLGARDIE WA 6429	3
80 SYLVESTER STREET COOLGARDIE WA 6429	2
81 CAMPBELL STREET KALGOORLIE WA 6430 AUSTRALIA	2
99 BAYLEY STREET COOLGARDIE WA 6429	2
C/- CENTRE MANAGEMENT, MIDDLETON ROAD DOG ROCK BOULEVARDE WA 6330 AUSTRALIA	2
C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931	3
GPO BOX 594 CANBERRA ACT 2601	2
LEVEL 1/388 HAY STREET SUBIACO WA 6008 AUSTRALIA	2
PO BOX 10173 KALGOORLIE WA 6430	2
PO BOX 10397 KALGOORLIE WA 6430	2

Table 2

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors List – Duplicate/Blank Addresses (continued)	
Address	No. of duplicates
PO BOX 10398 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 10406 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 10414 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 114 BECONSFIELD TAS 7270	2
PO BOX 138 KAMBALDA WA 6442	5
PO BOX 1484 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 163 NORSEMAN WA 6443	2
PO BOX 1993 SUBIACO WA 6904	2
PO BOX 2042 BOULDER WA 6432 AUSTRALIA	2
PO BOX 2529 BOULDER WA 6432	2
PO BOX 2630 BOULDER WA 6432	2
PO BOX 28 COOLGARDIE WA 6429	2
PO BOX 31 KAMBALDA WA 6442	2
PO BOX 4 MENZIES WA 6436	2
PO BOX 42 LAVERTON WA 6440	2
PO BOX 496 SOUTH PERTH WA 6951	3
PO BOX 507 ESPERANCE WA 6429	2
PO BOX 5526 KALGOORLIE WA 6430	3

Debtors List – Duplicate/Blank Addresses (continued)	
Address	No. of duplicates
PO BOX 5526 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 56 LEONORA WA 6438	3
PO BOX 591 CANNINGTON WA 6987	2
PO BOX 67 COOLGARDIE WA 6429	2
PO BOX 686 KALGOORLIE WA 6430 AUSTRALIA	2
PO BOX 8 KALGOORLIE WA 6430	2
PO BOX 8349 PERTH BUSINESS CENTRE WA 6007 AUSTRALIA	4
PO BOX 99 KALGOORLIE WA 6433 AUSTRALIA	2
PO BOX Z5487 PERTH WA 6831	2
PO BOX: 38 WILUNA WA 6646 AUSTRALIA	2
THE RAMBLE CANNING VALE WA 6155	2
Total Unique Addresses (excluding blank): 64 Total Debtors (including blank): 140	Total Duplicates (excluding blanks): 140 Total Instances of Blank Addresses: 3

Table 2 (continued)

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors List – Executive Staff	
Name	No. of entries
JAMES TRAIL	3
ROBERT HICKS	1
RODNEY FRANKLIN	1
Total Executive Staff: 3	Total Entries: 5

Table 3

Debtors List – Elected Members (<i>*bold denotes members, italics denotes individuals possibly related to members</i>)		
Name	Address	No. of entries
MALCOLM RAYMOND CULLEN	48 BAYLEY STREET COOLGARDIE WA 6429	1
<i>CULLEN TE & SONS</i>	25 BAYLEY STREET COOLGARDIE WA 6429	1
<i>CULLEN FAMILY BUTCHERS</i>	46 BAYLEY STREET COOLGARDIE 6429	1
<i>IAN CULLEN</i>	48 BAYLEY STREET COOLGARDIE WA 6429	1
T RATHBONE	22 SALTBUSH ROAD KAMBALDA WA 6442 AUSTRALIA	1
KATHRYN LINDUP trading as KATHIE'S KIOSK	2 EUCALYPT COURT KAMBALDA WA 6442	1
<i>ALLAN WILLIAM LINDUP</i>	2 EUCALYPT COURT KAMBALDA WA 6442	1
TAMMEE KEAST	27 STURT PEA CRESCENT KAMBALDA WEST WA 6442	1
<i>TIMOTHY JAMES KEAST</i>	27 STURT PEA CRESCENT KAMBALDA WEST WA 6442	1
<i>JENNIFER ROBYN KEAST</i>	74 SALTBUSH ROAD KAMBALDA WEST WA 6442	1
<i>SHARON MAREE KEAST</i>	30 WINGATE STREET SOMERVILLE WA 6430	1
Total Members:	4	Total Entries: 11
Total Possibly Related to Members:	7	

Table 4



APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors List – Credit Balances (*bold denotes executive staff)		
Balance	Name	Address
-325.00	JASON WILLIAM CLEELAND	1 EUCALYPT COURT KAMBALDA WA 6442
-55.07	RODNEY FRANKLIN (Salary Sacrifice)	1 BANKSIA COURT KAMBALDA WA 6442 AUSTRALIA
-55.07	REBECCA HORAN (Salary Sacrifice)	11 TI TREE COURT KAMBALDA WEST WA 6442
-50.91	KATHERINE FOX (SALARY SACRIFICE)	PO BOX 60 COOLGARDIE WA 6429
-50.00	Allrid Pest Management	20 CLEMENTS WAY BOULDER WA 6432 AUSTRALIA
-35.00	KYRAN O'DONNELL	PO BOX 10406 KALGOORLIE WA 6430 AUSTRALIA
Total (including Members): 6		

Table 5

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors List – Accounts with “Do Not Use”		
Debtor Code	Name	Address
75	DO NOT USE - KAMBALDA TYRE SERVICES	11 PTILOTUS CRESCENT KAMBALDA WA 6442
20967	DO NOT USE - PLEASE USE 20947 - KAMBALDA RECREATION CENTRE FACILITY	PO BOX 138 KAMBALDA WA 6442
45	DO NOT USE - USE 22335 - NICKELTOWN FLOUNDERERS INC	PO BOX 31 KAMBALDA WA 6442
9	DO NOT USE - USE 58 - GOLDFIELDS NISSAN	PO BOX 5526 KALGOORLIE WA 6430
20	Do Not Use- USE 18 - MOERLINA SCHOOL	16 BROCK WAY ROAD MT CLAREMONT WA 6010
11	PICKLES AUCTIONS (DO NOT USE - USE)	415 DUNDAS ROAD FORRESTFIELD WA 6058
24020	XX Do Not Use WESTRALIAN DIAMOND DRILLERS PTY LTD XX	21 EPIS STREET KALGOORLIE WA 6430
89	XX Do Not Use WESTRALIAN DIAMOND DRILLERS PTY LTD XX	21 EPIS STREET KALGOORLIE WA 6430
22067	xxx do not use OIL & SPICE CAFE -	PO BOX 114 BECONSFIELD TAS 7270
34	xxx do not use OIL & SPICE CAFE -	PO BOX 114 BECONSFIELD TAS 7270
Total: 10		

Table 6

Debtors List – Accounts with Shire of Coolgardie as the name		
Debtor Code	Name	Address
20007	SHIRE OF COOLGARDIE	PO BOX 138 KAMBALDA WA 6442
28050	SHIRE OF COOLGARDIE	PO BOX 138 KAMBALDA WA 6442
Total: 2		

Table 7



APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Debtors Audit Trail Report		
Name	Primary Role	No. of times accessed
BEC HORAN – same person	EA to Project Manager	6
Bernie Christie – she resigned on 29/09/2020 but debtors audit trail indicated that she still made changes to the debtors master file after that date	Recreation / Community Services Officer	221
Bree Crawley	Economic and Community Development Coordinator	3
Corina Morgan	Finance Officer	4
EDO- Amy Tregoweth	Executive Assistant Director Economic & Community Development	1
Kambalda Recreation Counter	*not an employee*	2
Leeanne Adams	Finance Officer	29
Leesa Treen	Kambalda Place Manager	8
Navjot Kaur	Finance Manager	9
NOELINE POKE	Rates and Payroll Coordinator	54
Rebecca Horan – same person	EA to Project Manager	2
Shanti Veera	Finance Officer	27
Stephanie O’Meagher	*not an employee*	16
Total:	382	

Table 8

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Duplicate/Blank Account Number			
Account Number	Name	Address	No. of duplicates
Blank	MLC NAVIGATOR RETIREMENT PLAN	GPO BOX 2567 MELBOURNE VIC 3001 AUSTRALIA	10
	BULLABULLING OPERATIONS PTY LTD	C/- HEMTS SUIT 404, GROUND FLOOR, 50 ST GEORGES TERRACE PERTH WA 6000 AUSTRALIA	
	MacPhersons Reward Pty Ltd	C/-STS PO BOX 1340 WEST PERTH WA 6872	
	XXX Do Not Use PROJECT WS GOLD PTY LTD XXX	12 MELROSE STREET SANDRINGHAM VIC 3191	
	XXX Do Not Use JOHN BUCKTIN XXX	52 WOODWARD STREET COOLGARDIE WA 6429	
	ORIGIN	PO Box 14825 MELBOURNE, VIC, 8001	
	ROBERT WAYNE TROODE	19 EVERLASTING CRESCENT KAMBALDA WEST WA 6442	
	EVAN DONALD FOLEY	7 ACACIA ROAD KAMBALDA WA 6442	
	ANDREW JAMES ZINCRAFT	77 FORREST STREET COOLGARDIE WA 6429	
	RUSSELL MCMILLAN	3 CANTEEN COURT KAMBALDA WA 6442	
0297659	CREATING COMMUNITIES AUSTRALIA PTY LTD	PO BOX 544 WEMBLEY WA 6913	2
	ALLAN TRANTER	100 JERSEY STREET JOLIMONT WA 6014 AUSTRALIA	
836709968	EVOLUTION MINING LTD	C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931	3
	EVOLUTION MINING (MUNGARI) PTY LTD	C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931	
	EVOLUTION MINING (PHOENIX) PTY LIMITED	C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931	
Total Unique Account Numbers: 2			Total Duplicates: 5 Total Instances of Blanks: 10
Total Blank Account Numbers: 10			

Table 9

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Duplicate/Blank Addresses	
Address	No. of duplicates
Blank Address	4
14 YORK TERRACE MOSMAN PARK WA 6012 AUSTRALIA	2
2 EUCALYPT COURT KAMBALDA WA 6442	2
27 STURT PEA CRESCENT KAMBALDA WA 6442	2
46 SHAW STREET COOLGARDIE WA 6429	2
C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931	4
C/- WESTERN TENEMENT SERVICES PO BOX 3285 EAST PERTH WA 6892	2
PO BOX 65 KAMBALDA WA 6442 AUSTRALIA	2
Total Unique Addresses (excluding blank): 7	Total Duplicates (excluding blanks): 16
Total Creditors (including blank): 20	Total Instances of Blank Addresses: 4

Table 10

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Names with “Do Not Use”				
Name	Address	Account Number	Date Last Used	Suspension Date
XXX DO NOT USE JR & A HERSEY XXX	1/80 SOLOMON STREET JANDAKOT WA 6164 AUSTRALIA	276048	17/02/2021	24/05/2021
XXX Do Not Use PROJECT WS GOLD PTY LTD XXX	12 MELROSE STREET SANDRINGHAM VIC 3191	*blank*	28/10/2020	20/06/2019
XXX Do Not Use JOHN BUCKTIN XXX	52 WOODWARD STREET COOLGARDIE WA 6429	*blank*	28/10/2020	20/06/2019
XXX Do Not Use (Name Change to Spectrum Surveys) CARDNO SPECTRUM SURVEY XXX	61 EGAN STREET KALGOORLIE WA 6430	283807001	28/01/2021	23/02/2021
XX Do Not Use OneMusic Australia XX	LOCKED 5000 BAG STRAWBERRY HILLS NSW 2012 AUSTRALIA	838096608	22/07/2020	16/08/2021
XX Do Not Use VISI-MAX XX	PO BOX 94 GELORUP WA 6230	328084	21/12/2020	24/03/2021
Total:	6			

Table 11

Creditors List – Date Last Used is After Suspension Date				
Name	Address	Account Number	Date Last Used	Suspension Date
XXX Do Not Use PROJECT WS GOLD PTY LTD XXX	12 MELROSE STREET SANDRINGHAM VIC 3191	276048	28/10/2020	20/06/2019
XXX Do Not Use JOHN BUCKTIN XXX	52 WOODWARD STREET COOLGARDIE WA 6429	*blank*	28/10/2020	20/06/2019
BULLABULLING OPERATIONS PTY LTD	C/- HEMTS SUIT 404, GROUND FLOOR, 50 ST GEORGES TERRACE PERTH WA 6000 AUSTRALIA	*blank*	27/05/2021	20/06/2019
MacPhersons Reward Pty Ltd	C/-STS PO BOX 1340 WEST PERTH WA 6872	283807001	29/10/2020	20/06/2019
ANGLOGOLD ASHANTI AUST LTD	PO BOX Z5046 PERTH WA 6831	838096608	22/10/2020	20/06/2019
Total:	5			

Table 12

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Last Used Date > 1 Year		
Creditor Name	Creditor Address	Date Last Used
DSP DIGITAL SIGNAGE PERTH	55/19 Carr St Perth WA 6000	10/07/2020
EVOLUTION MINING (PHOENIX) PTY LIMITED	C/- MCMAHON MINING TITLE SERVICES PTY LTD PO BOX 592 MAYLANDS WA 6931 AUSTRALIA	15/07/2020
LNB ELECTRONICS	Unit 1, 104 Brookman Street KALGOORLIE, 6430 AUSTRALIA	15/07/2020
A-Z AUTOCARE CENTRE	155 BOULDER ROAD KALGOORLIE WA 6430	17/07/2020
IT VISION USER GROUP INC.	82 CIVIC DRIVE WANNEROO WA 6065	20/07/2020
XX Do Not Use OneMusic Australia XX	LOCKED 5000 BAG STRAWBERRY HILLS NSW 2012 AUSTRALIA	22/07/2020
Platters by Rose	PO BOX 60 COOLGARDIE WA 6429	26/07/2020
JOHN A PAVLINOVICH	UNIT 6/9 GROVES AVENUE ATTADALE WA 6156	27/07/2020
JOHN D PAVLINOVICH	33 JOHNSON STREET BOULDER WA 6432	27/07/2020
HARDY SPICER P/L	7 KEOGH WAY KALGOORLIE WA 6430 AUSTRALIA	30/07/2020
LOCAL COMMUNITY INSURANCE SERVICES	LEVEL 1, 148 FROME TREET ADELAIDE SA 5000	03/08/2020
West Coast Vehicle repair Pty Ltd	61 COONAWARRA DRIVE CAVERSHAM WA 6055	05/08/2020
YMCA WA Kalgoorlie	PO BOX 2155 CARLISLE NORTH WA 6101 AUSTRALIA	06/08/2020
TRUSTEE FOR T D UNIT TRUST T/A MAP CREATIVE	151 FISCHER STREET TORQUAY VIC 3228	06/08/2020
SRW Sheds & Rigging	PO BOX 53 BOULDER WA 6432	06/08/2020
MALCOLM THOMPSON PUMPS	31 Powers Road Seven Hills NSW, 2147	07/08/2020
MANDALAY TECHNOLOGIES PTY LTD	37 MERIVALE STREET SOUTH BRISBANE QLD 4101	10/08/2020
MAINCOAST PTY LTD	*blank*	11/08/2020
CARTIES BEACH PTY LTD ATF THE BRAGG FAMILY TRUST T/A LIMITLLESS PROMOTIONS	77 MUDJIMBA BEACH ROAD MUDJIMBA QLD 4564	11/08/2020
ETHAN BUTLER	HARRIS BUILDING GROUND FLOOR 49 CATTLEY STREET BURNIE TAS 7320 AUSTRALIA	12/08/2020
CORPORATE CHALLENGE INTERNATIONAL PTY LTD	1/12 MACRO COURT ROWVILLE VIC 3178	13/08/2020
GOLDFIELDS SURVEYOR PL	3 HARVEY STREET KALGOORLIE WA 6430 AUSTRALIA	15/08/2020
EXECUTIVE MEDIA PTY LTD	PO BOX 256 NORTH MELBOURNE VIC 3051 AUSTRALIA	18/08/2020
Powertex Australia	6 CRUISE RD SAFETY BAY WA 6169	20/08/2020

Table 13



APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Last Used Date > 1 Year (continued)		
Creditor Name	Creditor Address	Date Last Used
DIAMOND NETWORKS PTY LTD	PO BOX 8026 HILTON WA 6163	20/08/2020
RUSSELL MCMILLAN	3 CANTEEN COURT KAMBALDA WA 6442	21/08/2020
COOLGARDIE RACING CLUB	PO Box 10338 KALGOORLIE WA 6430	21/08/2020
Rothwell Publishing	9 CLARKE AVE WARBURTON VIC 3799 AUSTRALIA	23/08/2020
MICHAEL JAMES ELSBY	5/89 BLAND STREET ASHFIELD NSW 2131	24/08/2020
WILMOT T/A GOLDEAGLE NOMINEES PTY LTS	82 CHAFFERS STREET SOUTH BOULDER WA 6430	25/08/2020
GRILLEX PTY LTD	PO BOX 5010 BUNDABERG QLD 4670	25/08/2020
EYRE HIGHWAY OPERATORS ASSOCIATION	16 KAURI PLACE DUNCRAIG WA 6023	27/08/2020
PFD FOOD SERVICES PTY LTD	6 PERCY ROAD KALGOORLIE WA 6430	28/08/2020
Bright Minds Therapy Pty Ltd	21B WARD STREET KALGOORLIE WA 6430	30/08/2020
Total Creditors: 34		

Table 13 (continued)

Creditors List – Executive Staff (*bold denotes executive staff, <i>italics</i> denotes individuals possibly related to executive staff)		
Name	Address	No. of entries
ROBERT HICKS	43 KILLARNEY STREET KALGOORLIE WA 6430 AUSTRALIA	1
<i>HICKS HOMES & CARPENTRY PTY LTD</i>	61A KILLARNEY STREET KALGOORLIE WA 6430 AUSTRALIA	1
<i>ANN-MARIE MIA HICKS</i>	81 CAMPBELL STREET KALGOORLIE WA 6430 AUSTRALIA	1
Total Executive Staff:	1	Total Entries: 3
Total Possibly Related to Executive Staff:	2	

Table 14

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors List – Elected Members (*bold denotes members, <i>italics</i> denotes individuals possibly related to members)		
Name	Address	No. of entries
<i>MNS CULLEN FAMILY TRUST</i>	<i>25 BAYLEY ST COOLGARDIE WA 6429</i>	1
KATHRYN ANN LINDUP	2 EUCALYPT COURT KAMBALDA WA 6442	1
<i>KAMBALDA MENS SHED INC</i>	<i>2 EUCALYPT COURT KAMBALDA WA 6442</i>	1
SHERRYL LEANNE BOTTING	73 SALTBUSH ROAD KAMBALDA WEST 6442	1
TAMMEE LOUISE KEAST	27 STURT PEA CRESCENT KAMBALDA WA 6442	1
<i>HAYLEE KEAST</i>	<i>27 STURT PEA CRESCENT KAMBALDA WA 6442</i>	1
Total Members:	3	Total Entries: 6
Total Possibly Related to Members:	3	

Table 15

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Creditors Audit Trail Report		
Name	Primary Role	No. of times accessed
Accounts	*not an employee*	4
BEC HORAN – same person	EA to Project Manager	6
Bernie Christie – she resigned on 29/09/2020 but creditors audit trail indicated that she still made changes to the creditors master file after that date	Recreation / Community Services Officer	460
Bree Crawley	Economic and Community Development Coordinator	7
Corina Morgan	Finance Officer	569
EDO- Amy Tregoweth	Executive Assistant Director Economic & Community Development	1
Julie Copley	Manager Executive Services	1
Kambalda Recreation Counter	*not an employee*	9
Leeanne Adams	Finance Officer	1
Leesa Treen	Kambalda Place Manager	14
Navjot Kaur	Finance Manager	28
NOELINE POKE	Rates and Payroll Coordinator	106
Rebecca Horan – same person	EA to Project Manager	11
Stephanie O'Meagher	*not an employee*	33
Total:	1250	

Table 16

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Sample of Terminated Employees during the period January 2021 to 24 September 2021			
Name	Termination Date	Termination Reason	Supporting Exit Evidence/Documentation Received
Brooking, Jessie	05 May 2021	Resignation	Resignation letter received only
Brown, Kristie	23 Jul 2021	Resignation	None
Buckley, Glenn	03 Aug 2021	Resignation	Resignation letter received only
Cains, Melissa	03 Mar 2021	Resignation	Resignation letter received only
Clark, Paige	14 Jun 2021	Resignation	None
Cole, Sarah	14 Jun 2021	Resignation	None
Copley, Geoffrey	21 Sep 2021	Death	None
Cox, Jayden	16 Feb 2021	Resignation	Resignation letter received only
Fitzgerald, Lynette	03 Feb 2021	Resignation	None
Forward, Steven	09 Feb 2021	Resignation	Resignation letter received only
Fox, Paige	03 Feb 2021	Resignation	None
Hicks, Ann-Marie	22 Jun 2021	Resignation	None
Jayantha, Yogarajah	04 Feb 2021	Resignation	Resignation letter received only
Kaur, Navjot	06 Aug 2021	Resignation	None
Keast, Madaline	15 Jan 2021	Resignation	None
Matulin, Kyle	26 Jan 2021	Resignation	None

Table 17

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Sample of Terminated Employees during the period January 2021 to 24 September 2021 (continued)			
Name	Termination Date	Termination Reason	Supporting Exit Evidence/Documentation Received
Miller, Peter	15 Jan 2021	Resignation	Resignation letter received only
Piper, Edwin	02 Sep 2021	Resignation	None
Poke, Cyril	13 Jul 2021	Retirement	None
Trail, Hayley	14 Jun 2021	Resignation	None
Tyler, Brian	02 Jun 2021	Dismissal	None
Veera, Shanti	15 Jun 2021	Redundancy	None
Wheatley, Jamie	20 May 2021	Resignation	None
Wood, Maybelle	03 Feb 2021	Resignation	None
Total terminated employees: 24			
Total terminated employees without exit interviews and checklists performed: 24			
Total terminated employees without resignation letters: 18			

Table 17 (continued)

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Terminated Employees with Abnormal Last Paid Dates				
Employee Name	Hire Date	Termination Date	Last Paid Date	Role
Bernadette Christie	30 Nov 2017	29 Sep 2020	03 Nov 2020	Recreation / Community Services Officer - FT
Jessie Brooking	21 Nov 2019	05 May 2021	04 Jun 2021	Casual Pool Operator - Casual
Total:	2			

Table 18

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Duplicate Surnames			
Surname	First Name	Address	Role
Brooking	Jessie	7 Sewell Drive, Kalgoorlie, 6430, Western Australia	Casual Pool Operator
	Catherine	7 Sewell Drive, Kalgoorlie, 6430, Western Australia	Recreation and Aquatic Facilities Manager
	Jahnay	3 Gulf Cove, Ellenbrook, 6069, Western Australia	Casual Pool Operator
Brown	Steven	36 Everlasting Crescent, Kambalda, 6442, Western Australia	Leading Hand - Waste Operations
	Kristie	26 Saltbush Road, Kambalda, 6442, Western Australia	Executive Assistant Chief Executive Officer
Clark	Paige	63 Shaw Street, Coolgardie, 6429, Western Australia	Recreation / Community Services Officer
	Kendall	63 Shaw Street, Coolgardie, 6429, Western Australia	Cleaner
Copley	Geoffrey	79 Shaw Street, Coolgardie, 6429, Western Australia	Team Leader - Ranger and Emergency Services
	Julie	79 Shaw Street, Coolgardie, 6429, Western Australia	Manager Executive Services
Forward	Steven	83 King Street, Coolgardie, 6429, Western Australia	Waste Officer
	Sheree	83 King Street, Coolgardie, 6429, Western Australia	Administration Officer
Fox	Paige	56 King Street, Coolgardie, 6429, Western Australia	Recreation / Community Services Officer
	Katherine	56 King Street, Coolgardie, 6429, Western Australia	Team Leader - Tourism & Heritage
Hicks	Ann-Marie	81 Campbell Street, Kalgoorlie, 6430, Western Australia	Director Community and Economic Development
	Robert	61A Killarney Street, Kalgoorlie, 6430, Western Australia	Director Operations
Keast	Madaline	27 Sturt Pea Crescent, Kambalda, 6442, Western Australia	Recreation / Community Services Officer
	Haylee	27 Sturt Pea Crescent, Kambalda, 6442, Western Australia	Lifeguard
	Timothy	27 Sturt Pea Crescent, Kambalda, 6442, Western Australia	Labourer Parks & Gardens Kambalda
Murray	Alistair	22 Woodward Street, Coolgardie, 6429, Western Australia	Plant Operator / Labourer
	Natalie	22 Woodward Street, Coolgardie, 6429, Western Australia	Plant Operator / Labourer
Poke	Noeline	41 Callitris Road, Kambalda, 6442, Western Australia	Rates and Payroll Coordinator
	Cyril	41 Callitris Road, Kambalda, 6442, Western Australia	Labourer Parks & Gardens Kambalda

Table 19

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Duplicate Surnames (continued)			
Surname	First Name	Address	Role
Trail	James	1 Gimlet Court, Kambalda West, 6442, Western Australia	Chief Executive Officer
	Hayley	1 Gimlet Court, Kambalda West, 6442, Western Australia	Economic and Community Development - Casual
Vodden	Jameson	10 Silver Gimlet Street, Kambalda, 6442, Western Australia	Lifeguard
	Karen	10 Silver Gimlet Street, Kambalda, 6442, Western Australia	Community Bus Driver
Wells	Rose-Emma	129 Sylvester Street, Coolgardie, 6429, Western Australia	Cleaner
	Sharon	8 Arizona Street, Coolgardie, 6442, Western Australia	Recreation / Community Services Officer
Wheatley	Shontae	3 Kurrajong Lane, Kambalda East, 6442, Western Australia	Recreation and Aquatic Officer
	Jamie	3 Kurrajong Lane, Kambalda East, 6442, Western Australia	Trainee
Total Unique Surnames:		14	
Total Duplicates:		30	

Table 19 (continued)

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Duplicate Addresses		
Address	Name	Role
1 Gimlet Court, Kambalda West, 6442, Western Australia	James Trail	Chief Executive Officer
	Hayley Trail	Economic and Community Development - Casual
10 Silver Gimlet Street, Kambalda, 6442, Western Australia	Jameson Vodden	Lifeguard
	Karen Vodden	Community Bus Driver
11 Wildflower Court, Kambalda West, 6442, Western Australia	Yogarajah Jayantha	Manager Technical Service
	Shanti Veera	Finance Officer
22 Woodward Street, Coolgardie, 6429, Western Australia	Alistair Murray	Plant Operator / Labourer
	Natalie Murray	Plant Operator / Labourer
27 Sturt Pea Crescent, Kambalda, 6442, Western Australia	Madaline Keast	Recreation / Community Services Officer
	Haylee Keast	Lifeguard
	Timothy Keast	Labourer Parks & Gardens Kambalda
3 Kurrajong Lane, Kambalda East, 6442, Western Australia	Shontae Wheatley	Recreation and Aquatic Officer
	Jamie Wheatley	Trainee
41 Callitris Road, Kambalda, 6442, Western Australia	Noeline Poke	Rates and Payroll Coordinator
	Cyril Poke	Labourer Parks & Gardens Kambalda
56 King Street, Coolgardie, 6429, Western Australia	Paige Fox	Recreation / Community Services Officer
	Jayden Cox	Waste Officer
	Katherine Fox	Team Leader - Tourism & Heritage
63 Shaw Street, Coolgardie, 6429, Western Australia	Paige Clark	Recreation / Community Services Officer
	Kendall Clark	Cleaner
7 Sewell Drive, Kalgoorlie, 6430, Western Australia	Jessie Brooking	Casual Pool Operator
	Catherine Brooking	Recreation and Aquatic Facilities Manager

Table 20

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Duplicate Addresses (continued)		
Address	Name	Role
79 Shaw Street, Coolgardie, 6429, Western Australia	Geoffrey Copley	Team Leader - Ranger and Emergency Services
	Julie Copley	Manager Executive Services
83 King Street, Coolgardie, 6429, Western Australia	Steven Forward	Waste Officer
	Sheree Forward	Administration Officer
Unit 2/35 Sylvester Street, Coolgardie, 6442, Western Australia	Anglina Kani	Cleaner
	Lina Wani	Cleaner
Total Unique Surnames:	13	
Total Duplicates:	28	

Table 20 (continued)

Employee List – Executive Staff (*bold denotes executive staff, <i>italics</i> denotes individuals possibly related to executive staff)		
Name	Address	Role
Robert Hicks	61a Killarney Street, Kalgoorlie, 6430, Western Australia	Manager Commercial Services
<i>Ann-Marie Hicks</i>	81 Campbell Street, Kalgoorlie, 6430, Western Australia	Director Community and Economic Development
Rodney Franklin	1 Banksia Court, Kambalda, 6442, Western Australia	Director Operations
James Trail	1 Gimlet Court, Kambalda West, 6442, Western Australia	Chief Executive Officer
<i>Hayley Trail</i>	1 Gimlet Court, Kambalda West, 6442, Western Australia	Economic and Community Development - Casual
Total Executive Staff:	3	
Total Possibly Related to Executive Staff:	2	

Table 21

APPENDIX 6: DEBTOR, SUPPLIER AND PAYROLL MANAGEMENT (CONTINUED)

Employee List – Elected Members (*bold denotes members, <i>italics</i> denotes individuals possibly related to members)		
Name	Address	Role
<i>Timothy Keast</i>	<i>27 Sturt Pea Crescent Kambalda Wa 6442</i>	<i>Labourer Parks & Gardens Kambalda</i>
<i>Madaline Keast</i>	<i>27 Sturt Pea Crescent Kambalda Wa 6442</i>	<i>Recreation / Community Services Officer</i>
<i>Haylee Keast</i>	<i>27 Sturt Pea Crescent Kambalda Wa 6442</i>	<i>Lifeguard</i>
Total Possibly Related to Elected Members:	3	

Table 22

APPENDIX 7: KEY DOCUMENTS RECEIVED

Moore Australia have received the following key documents during the audit and have reviewed them to varying extents:

Name of Document	Date
Policy Manual	May 2021
Management Policy Manual	February 2021
Complaints Register	13 August 2021
HR Manual	Version 2

Table 23

CONTACT US

Moore Australia (WA)

Level 15, 2 The Esplanade,
Perth WA 6000

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F +61 8 9225 6181

E perth@moore-australia.com.au

www.moore-australia.com.au



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63	08-Jul-22	Moore Australia	Fraud and Corruption	35. Complaints Handling Implement the Complaints Register and reinforce its use to Management and 34. Disciplinary Policy and Grievance	Medium	Coordinator of Major Projects, HR & Governance	The Complaints register is only required for complaints against elected members under s.5.121 of the Local Government Act 2009 has merit	N/A	22-Aug-22	No					Noted	In Progress - Management Comments Only
64	08-Jul-22	Moore Australia	Fraud and Corruption	Develop and implement a Disciplinary Policy reporting to the Executive, Audit Committee or Council Implement regular reporting of fraud and	Medium	Coordinator of Major Projects, HR & Governance	Develop and implement a Disciplinary Policy reporting to the Executive, Audit Committee or Council Implement regular reporting of fraud and	01-Jun-22	22-Aug-22	Yes			82		Noted	In Progress - Management Comments Only
65	08-Jul-22	Moore Australia	Fraud and Corruption	Implement regular reporting of fraud and	Medium	CEO	fraud & corruption activity should be brought to the attention of the Audit	As Required	22-Aug-22	No					Noted	In Progress - Management Comments Only
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started
									22-Aug-22	No						Not started

1. Breakdown of Open Recommendations per Responsible Officer

Row Labels	Count of Recommendation Owner
(blank)	20
CEO	5
Governance Officer	5
Governance Officer/Integrated ICT	1
Director of Operations	2
HR Officer	1
Deputy CEO	1
Projects Coordinator	9
Governance Officer/Records Management Officer	4
Records Management Officer	2
Danielle Fleet	20
Robert Hicks	15
Grand Total	65

2. Breakdown of open recommendations per risk rating

Row Labels	Count of Recommendation Owner
High	20
Low	10
Medium	35
Grand Total	65

3. Status of open recommendations

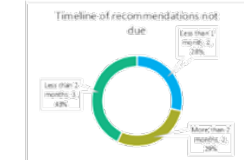
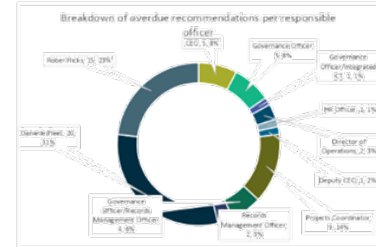
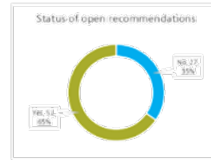
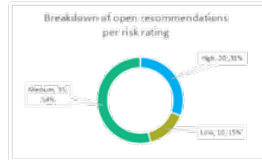
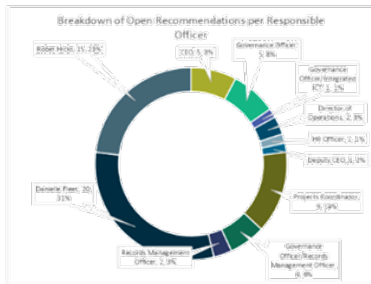
Row Labels	Count of Is It Overdue
No	27
Yes	51
Grand Total	78

4. Breakdown of overdue recommendations per responsible officer

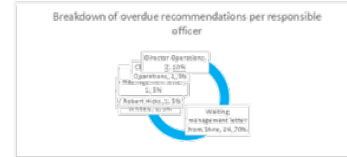
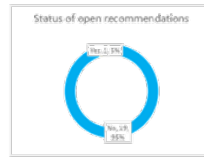
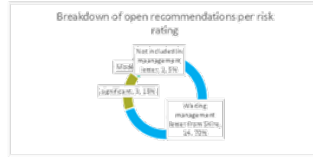
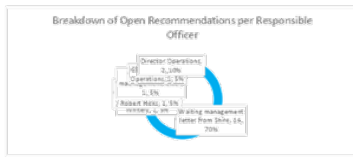
Row Labels	Count of Recommendation Owner
CEO	5
Governance Officer	5
Governance Officer/Integrated ICT	1
Director of Operations	3
HR Officer	1
Deputy CEO	1
Projects Coordinator	9
Governance Officer/Records Management Officer	4
Records Management Officer	2
Danielle Fleet	20
Robert Hicks	15
Grand Total	65

5. Timeline of recommendations not due

Row Labels	Count of Months until due
Less than 1 month	2
More than 1 month	2
Less than 2 months	3
Grand Total	7



1 Breakdown of Open Recommendations per Responsible Officer		2 Breakdown of open recommendations per risk rating		3 Status of open recommendations		4 Breakdown of overdue recommendations per responsible officer		5 Timeline of recommendations not due	
Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)	
Row Labels	Count of Recommendation Owner	Row Labels	Count of Recommendation Owner	Row Labels	Count of Is It Overdue	Row Labels	Count of Recommendation Owner	Row Labels	Count of Months until due
Waiting management letter from Shire	14	Waiting management letter from Shire	14	No	19	Waiting management letter from Shire	14	No	19
Nav Kaur & Martin Whitley	1	significant	3	Yes	1	Nav Kaur & Martin Whitley	1		
All staff with purchasing authority / Robert Hicks	1	Moderate	2	Grand Total	20	All staff with purchasing authority / Robert Hicks	1		
Not included in management letter	1	Not included in management letter	1			Not included in management letter	1		
CEO and Director Operations	1	Grand Total	20			CEO and Director Operations	1		
Director Operations	2					Director Operations	2		
Grand Total	20					Grand Total	20		





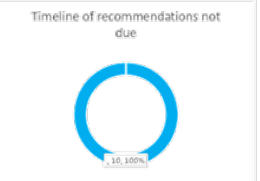
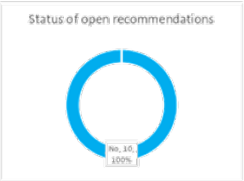
Shire of Coolgardie

Ver1.0
 1. Paste (VALUES ONLY) into column
 2. Refresh (ALL) pivot tables to update graphs

Current Review Date: 1-Jan-00

No	Date of Report	Auditor	Audit Topic	Recommendation	Finding & Issues Raised	Risk Rating	Recommendation Owner	Management Comment in Report	Due Date	Review Date	Is it Overdue	Days until due	Months until due	Days Overdue	Client Progress Update	Moore Australia Comment	Status After Assessment
1						Low				1-Jan-00	No						
2						Medium				1-Jan-00	No						
3						High				1-Jan-00	No						
4										1-Jan-00	No						
5										1-Jan-00	No						
6										1-Jan-00	No						
7										1-Jan-00	No						
8										1-Jan-00	No						
9										1-Jan-00	No						
10										1-Jan-00	No						

1 Breakdown of Open Recommendations per Responsible Officer		2 Breakdown of open recommendations per risk rating		3 Status of open recommendations		4 Breakdown of overdue recommendations per responsible office		5 Timeline of recommendations not due	
Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)		Is It Overdue (All)		Status After Assessment (All)	
Row Labels	Count of Recommendation Owner	Row Labels	Count of Recommendation Owner	Row Labels	Count of Is It Overdue	Row Labels	Count of Recommendation Owner	Row Labels	Count of Months until due
(blank)		High		No	10	(blank)		(blank)	10
Grand Total		Low		Grand Total	10	Grand Total		Grand Total	10
		Medium							
		(blank)							
		Grand Total							



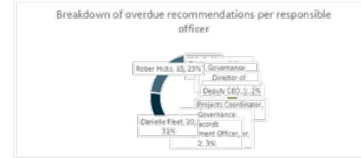
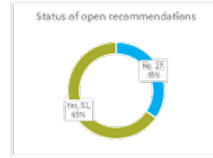
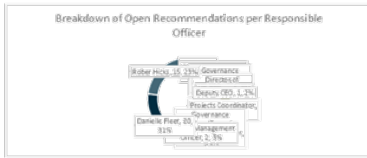


Shire of Coolgardie
 1. Paste ISSUES ONLY into column 2.
 2. Refresh (ALL) pivottable to update graphs

Shire of Coolgardie

											Current Review Date:						
											1-Jan-00						
No	Date of Report	Auditor	Audit Topic	Recommendation	Finding & Issues Raised	Risk Rating	Recommendation Owner	Management Comment in Report	Due Date	Review Date	Is it Overdue	Days until due	Months until due	Days Overdue	Client Progress Update	Moore Australia Comment	Status After Assessment
1	01-Apr-19	Moore Australia	Trust Funds	Interest earned on investment of trust funds was incorrectly recognised as the Shire's interest income instead of being reconciled to the subsidiary ledger to the corresponding general ledger control account for rate debtors were not reconciled on the valuation as per the rates system to valuation rolls received from Landgate were not reviewed by a suit holder one instance where rental income was incorrectly received into the system as fees and charges instead of being recorded as changes to the creditor master files was not reviewed by a senior staff member independent of the usual time invoice to where LA invoices or receipts for credit card purchases were not obtained and filed. In August 2019 report no changes to the employee master files was not reviewed prior to each payroll. This increases the Shire's Visitor Centre were performed as required these reconciliations were not reconciled on the subsidiary register to corresponding general ledger control account for loans was not prepared from 2018 term deposit fees into the table represent 75% of the Shire's investments in financial institutions or managed funds. Self review of the vulnerability controls revealed system passwords are not changed on a regular basis.	Any interest earned from the investment of trust funds must be paid to the persons entitled to those trust funds in accordance to help ensure the rates sector reconciliations are correct and duly prepared, rate debtor reconciliations to help ensure the property values are correctly recorded into the system for raising interim rates and reconciliations to help ensure that revenue is allocated/posted to the appropriate account in accordance with its nature or to help ensure all charges to creditor's details in the system are correct and hence all payments are bona fide, the system's to help ensure the usage of approved credit cards is in line with the Shire's credit card policy, all credit card purchases to help ensure all changes to employee details in the system are correct and hence all payments are bona fide, the system's to help confirm the accuracy of the inventory reconciliation, a senior officer independent of preparation should review to help ensure loans are completely and correctly posted into the general ledger, the loan register should be reconciled to help ensure the current investments held are in line with the Shire's investment policy in terms of diversification (credit risk, to help safeguard the integrity of the Shire's accounting information, each staff member should change their system	Medium	Deputy CEO	Trust account has been changed to a non interest bearing account in April 2019 to ensure future compliance. A suit holder reconciliations to be documented and signed off to ensure they have been reviewed as part of the review of the valuation rolls to a more complicated since only the Contract Rates Officer has a sound staff experience for receiving to be given training as required and management to ensure that the Fees & must clear report to be reviewed and signed prior to any payments being processed. This process has been more care needs to be given when processing monthly credit card statements. Credit card statements to audit clear report to be reviewed and signed prior to payroll being processed and any payments being made. This inventory stock takes to be reviewed and signed off as part of the normal monthly process. Reconciliation and review or borrowings to be signed off as part of the normal monthly process. Updated policy proposed by Council at the April 2019 Ordinary Council meeting. Level of password protection processes to be reviewed and updated as required.		1-Jan-00	No						Completed and validated by Moore Australia
2	02-Apr-19	Moore Australia	Rates			High	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
3	03-Apr-19	Moore Australia	Rates			High	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
4	03-Apr-19	Moore Australia	Fees and Charges			Medium	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
5	04-Apr-19	Moore Australia	Purchases, Payments and Pwahlen			High	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
6	05-Apr-19	Moore Australia	Credit Card Procedures			High	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
7	06-Apr-19	Moore Australia	Payroll			High	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
8	07-Apr-19	Moore Australia	Inventory			Medium	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
9	08-Apr-19	Moore Australia	Borrowings			Low	Deputy CEO			1-Jan-00	No					In Progress - Management Comments Only	
10	09-Apr-19	Moore Australia	Investments			Low	Deputy CEO			1-Jan-00	No					Completed and validated by Moore Australia	
11	10-Apr-19	Moore Australia	Storage of document/ Record			Medium	Coordinator Major Project, HR & Governance			1-Jan-00	No					Completed and validated by Moore Australia	
										1-Jan-00	No					Not started	

1 Breakdown of Open Recommendations per Responsible Officer		2 Breakdown of open recommendations per risk rating		3 Status of open recommendations		4 Breakdown of overdue recommendations per responsible officer		5 Timeline of recommendations not due	
Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)		Status After Assessment (All)	
Row Labels	Count of Recommendation Owner	Row Labels	Count of Recommendation Owner	Row Labels	Count of Is It Overdue	Row Labels	Count of Recommendation Owner	Row Labels	Count of Months until due
Blank		High	20	No	27	Blank		Less than 1 month	2
CEO	5	Low	10	Yes	51	CEO	5	More than 2 months	2
Governance Officer	5	Medium	35	Grand Total	78	Governance Officer/Integrated ICT	5	Less than 2 months	3
Governance Officer/Integrated ICT	1	Grand Total	65			Director of Operations	1	Grand Total	27
Director of Operations	2					HR Officer	1		
HR Officer	1					Deputy CEO	1		
Deputy CEO	1					Projects Coordinator	9		
Projects Coordinator	9					Governance Officer/Records Management Officer	4		
Governance Officer/Records Management Officer	4					Records Management Officer	2		
Records Management Officer	2					Danielle Fleet	20		
Danielle Fleet	20					Robert Hicks	15		
Robert Hicks	15					Grand Total	65		
Grand Total	65								



1 Breakdown of Open Recommendations per Responsible Officer		2 Breakdown of open recommendations per risk rating		3 Status of open recommendations		4 Breakdown of overdue recommendations per responsible officer		5 Timeline of recommendations not due	
Status After Assessment	(All)	Status After Assessment	(All)	Status After Assessment	(All)	Is It Overdue	(All)	Status After Assessment	(All)
Row Labels	Count of Recommendation Owner	Row Labels	Count of Recommendation Owner	Row Labels	Count of Is It Overdue	Row Labels	Count of Recommendation Owner	Row Labels	Count of Months until due
(blank)		(blank)		No	19	(blank)		(blank)	19
To be advised by Management	18			Grand Total	19	To be advised by Management	18	Grand Total	19
Grand Total	18	Grand Total				Grand Total	18		



Current Terms of Reference

Policy Number 1.02 Audit Committee – Terms of Reference

Legislative Reference: Parts 6, 7 Local Government Act 1995

Relates to: Delegation Sub Delegation NA

Policy Objective:

The objectives of the Audit Committee are to aid and guide Council on the discharge of its duties under Part 6 and 7 of the Local Government Act 1995. The Audit Committee assists Council to monitor the integrity of the Shire's financial statements, risk management, internal controls and compliance with legislative requirements.

Policy Scope:

To establish Terms of Reference for the effective operation of the Audit Committee.

Policy Statement

1.0 INTRODUCTION

- 1.1 The Council of the Shire of Coolgardie has established an Audit Committee (the Committee) pursuant to Part 7 of the Local Government Act 1995 (the Act).
- 1.2 The Committee is established to fulfil the requirements of Local Government (Audit) Regulation 16 and provides oversight of the financial systems of the local government on behalf of the Council.
- 1.3 The Committee operates to assist Council to fulfil its corporate governance, stewardship, leadership, and control responsibilities in relation to financial reporting and audit, internal audit, and risk management.
- 1.4 The Committee is to provide guidance and assistance to the local government as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and the process to select and appoint an auditor.
- 1.5 The Committee shall act in accordance with the provisions of the Act, the local laws and policies of the Shire of Coolgardie and these Terms of Reference.

2.0 OBJECTIVES

The objectives of the Committee are to oversee:

- 2.1 The credibility and objectivity of financial reporting,
- 2.2 The effective management of financial and other risks and protect Council assets,
- 2.3 Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control, and legislative compliance,
- 2.4 The provision of an effective means of communication between the external auditor, the

CEO and Council,

2.5 The scope of work, objectivity, performance, and independence of the external and internal auditors; and

2.6 The process and systems which protect against fraud and improper activities.

3.0 AUTHORITY

The Committee is a formally appointed committee of the Council and is responsible to that body. 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 authority.

The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee has the authority to:

3.1 Review the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken,

3.2 Request the CEO to seek information or advice in relation to matters considered by the Committee,

3.3 Formally meet with internal and external auditors as necessary,

3.4 Seek resolution on any disagreements between management and the external auditors on financial reporting; and

3.5 Make recommendations to Council with regards to matters within its scope of responsibility.

4.0 MEMBERSHIP

4.1 The Committee will consist of five (5) members. Membership will be reviewed biennially immediately following Local Government elections unless, by a decision of Council, an interim appointment is required.

4.2 All members shall have full voting rights. In the event of a tie, the Chairperson will have the casting vote.

4.3 Council shall appoint the remaining two Council Members as a deputy member of the Committee.

4.4. Membership of the Committee shall, unless determined otherwise, cease on the day of the next ordinary Council election.

4.5 Council shall appoint new members to the Committee at its first meeting following the ordinary election.

4.5 The membership of a member may be ceased in accordance with the Act.

4.6 The Chairperson, and Deputy Chairperson of the Committee are appointed by majority vote of the Committee.

4.7 In the Chairperson's absence from a meeting, the members of the Committee present at the meeting will select a Chairperson for that meeting.

4.8 The CEO and employees are not members of the Committee.

4.9 The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the Committee.

4.10 The Shire shall provide secretarial and administrative support to the Committee.

4.11 A quorum will be a majority of Members.

4.12 New Council Members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

5.0 MEETINGS

5.1 The Committee shall meet not less than two times a year. Additional meetings shall be convened at the discretion of the Chairperson or at the request of the CEO.

5.2 The Committee meetings shall be 'Closed' and therefore not open to the public, and because it has no delegated authority from Council, there is no Public Question Time at the commencement of the meetings of the Committee.

5.3 Council Members who are not members of the Committee may attend each Committee meeting.

5.4 Using electronic means:

- If a Committee member is not physically present and in accordance with the Local Government (Administration) Regulations 1996 section 14 A or section 14 B, the Committee member may join the meeting using electronic means.
- The Committee meeting may be held using electronic means if the circumstances of Local Government (Administration) Regulations 1996 section 14 C or section 14 D are activated.

5.5 The Committee shall report to Council in accordance with the Shire of Coolgardie Meeting Procedures Local Law.

5.6 Notice of meetings shall be given to members at least five days prior to each meeting, with the agenda papers to be provided to members not less than 72 hours prior to the meeting.

5.7 A quorum for a meeting shall be at least 50% of the number of offices of membership, whether vacant or not.

8.0 MINUTES OF MEETINGS

8.1 The Presiding Member shall ensure that detailed minutes of all meetings are kept in accordance with the Shire of Coolgardie Meeting Procedures Local Law.

8.2 Where the Committee makes a recommendation to the Council, the Chief Executive Officer shall ensure that the recommendation is on the agenda of the next practicable ordinary Council meeting.

8.3 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation. Minutes will include the proceedings, resolutions of the meeting including the names of those in attendance.

8.4 The Chairperson shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Conflicts of Interest will be managed in accordance with the Shire's policies and the Local Government Act 1995.

8.5 Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

8.6 Other than confidential papers and attachments, agendas and minutes of the Committee will be made publicly available on the Shire's website.

9.0 DELEGATED AUTHORITY TO AUDIT COMMITTEE

9.1 The Audit Committee has no delegated authority to undertake any duties on behalf of the Council, acting as the local government.

10. ROLES AND RESPONSIBILITIES

In addition to the functions listed in the Local Government Act 1995 (Local Government (Audit) Regulations 1996, section 16), the roles and responsibilities of the Committee include:

External Audits (the Auditor General will be responsible for conducting external audits):

- Provide guidance and assistance to Council as to the carrying out of the functions of the Shire in relation to external audits.
- Meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed
- May meet with the auditor annually to receive the audit report and make a recommendation to Council with respect to that report.
- Examine the reports of the auditor after receiving a report from the CEO on the matters to:
 - Determine if any matters raised require action to be taken by the Shire; and
 - Ensure that appropriate action is taken in respect of those matters.
- Consider and recommend adoption of the Annual Report to Council. Review any significant changes that may arise after any such recommendation but before the Annual Report is signed.
- Address issues brought to the attention of the Committee, including responding to requests from Council for advice that is within the parameters of the Committee's TOR.

Internal Audit:

- Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to internal audits.
- Review and recommend the annual internal audit plan for endorsement by the Council and all major changes to the plan. Monitor that the internal auditor's annual plan is linked with and covers the material business strategic risks and themes.
- Monitor processes and practices to ensure that the independence of the internal audit function is maintained.
- Annually receive the summary of Internal Audit Auditees' satisfaction surveys.
- Review all internal audit reports and provide advice to the Council on significant issues (i.e., high, and extreme) identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
- Monitor management's implementation of internal audit recommendations.
- Receive the findings of special internal audit assignments undertaken at the request of Council or CEO.
- Review the annual Compliance Audit Return and report to the Council the results of that review - Local Government Act 1995 section 7.13 (1)(i).
- Consider the CEO's Triennial Review of the appropriateness and effectiveness of the Shire's systems and procedures regarding risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews - Local Government (Audit) Regulations 1996 reg.17.
- Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
- Consider the financial management systems and procedures as per - s.5(2) Local Government (Financial Management) Regulations 1996 - within the statutory timeframe.
- Review all transactions on the CEO corporate credit card for compliance with legislation, and Shire Policies and procedures.

Risk Management:

- Ensure that management has in place a current and comprehensive Enterprise Risk Management Framework and associated procedures for effective identification and management of Shire's business and financial risks.
- Determine whether a sound and effective approach has been followed in managing Shire's major risks including those associated with individual projects, program implementation, and activities.
- Ensure that the Shire identifies, reviews, and regularly updates the strategic and operational risk profiles.
- Understand and endorse the Shire's risk appetite.
- Oversee the periodic review of the Risk Management Framework.

Business Continuity:

- Ensure a sound and effective approach has been followed in establishing the Shire's business continuity planning arrangements, including whether business continuity and

disaster recovery plans have been periodically updated and tested.

- Oversee the periodic review of the Business Continuity Management Framework.

Financial Reporting:

- Review significant accounting and reporting issues, recent accounting, professional and regulatory pronouncements, and legislative changes, and understand their effect on the financial report.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Annual Financial Statements forming part of the Shire's Annual Report and consider whether it is complete, consistent with information known to Committee members, and reflects appropriate accounting principles.
- Review with management and the external auditors all matters required to be communicated to the Committee under the Australian Auditing Standards.
- Recommend the adoption of the Annual Financial Statements forming part of the Annual Report to Council.

Internal Control:

- Ensure management's approach to maintaining an effective Internal Control Framework is sound and effective.
- Ensure management has in place relevant policies and procedures, including CEO's Instructions or their equivalent, and that these are periodically reviewed and updated.
- Ensure appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
- Ensure appropriate policies and supporting procedures are in place for the management and exercise of delegations.
- Review how management identifies any required changes to the design or implementation of key internal controls.

Fraud and Corruption Prevention:

- Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
- Receive and consider information and advice presented by the CEO on the strategies and controls to manage fraud and corruption risks at the Shire.
- Provide oversight over the Shire's exposure and issues raised in relation to fraud and corruption.

Legislative Compliance:

- Oversee the effectiveness of the systems for monitoring compliance with relevant laws, regulations, and associated government policies.

Reporting Responsibilities:

- Reports and recommendations of the Committee which require presentation to Council

will be presented to the next available Ordinary Council Meeting. Additional updates may be appropriate, should issues of concern arise.

Other Responsibilities:

- Monitor the progress of the implementation of external audit recommendations made by the auditor, which have been accepted by the Shire.
- Receive recommendations arising from reviews of local government systems and procedures.
- At least once every two (2) years review and assess the adequacy of the Committee TOR, request Council approval for proposed changes, and ensure appropriate disclosure as required by legislation or regulation.
- Annually confirm that all responsibilities outlined in this TOR have been carried out
- Review all OAG Reports of relevance to Local Government generally, and specifically to the Shire of Coolgardie, and to consider any reports, assessments, and recommendations from the CEO as to the extent of compliance by the Shire, or steps to be taken to ensure same.

**Shire of Coolgardie
Payments by Delegated Authority
1st November 2021 to 31 July 2022
Credit Cards**

Reference	Date	Description	Value	Card
	03-Nov-21	Cabfare Taxi Charges James Trail - State Conference	\$ 46.93	855
	04-Nov-21	Careyou.Com.Au Wooden table Numbers for Seniors Xmas Lunch	\$ 41.87	855
	04-Nov-21	Crown Perth Accommodation James Trail 02 - 04 Nov 2021 - State Conference	\$ 819.72	855
	04-Nov-21	Gm Cabs Pty Ltd Taxi Charges James Trail - State Conference	\$ 32.13	855
	04-Nov-21	Gm Cabs Pty Ltd Taxi Charges James Trail - State Conference	\$ 15.65	855
	04-Nov-21	Goomalling Shirecouncil James Trail, LGIS Local Government Tournament 20 Aug 2021	\$ 205.00	855
	08-Nov-21	Crown Towers Perth James Trail Mini Bar Water and Food 05 Nov 2021	\$ 21.15	855
	08-Nov-21	Adobe Systems Pty Ltd Subscription	\$ 515.87	855
	08-Nov-21	Crown Perth James Trail Room Service Food - State Conference	\$ 143.20	855
	10-Nov-21	Xero Au Inv-19006108 GVROC Monthly Subscription	\$ 54.00	855
	25-Nov-21	Virgin Austr7951514012975 Brisbane Flights James Trail Per Kal Return 01 - 02 Dec 2021 - Gold Fields Golden Hour Event	\$ 4.72	855
	25-Nov-21	Virgin Austr7952171355971 Brisbane Flights James Trail Per Kal Return 01 - 02 Dec 2021 - Gold Fields Golden Hour Event	\$ 501.99	855
	26-Nov-21	Fairfax Subscriptions Pymont	\$ 29.50	855
	30-Nov-21	Virgin Austr7951514012970 Brisbane James Trail Flight Changes - Gold Fields Golden Hour Event	-\$ 58.00	855
	01-Dec-21	Virgin Austr7951514084131 Brisbane, Flight Changes for James Trail, Kal Per Return, 01-02 Dec 2021 - Goldfields Golden hour	\$ 62.00	855
	30-Nov-21	Virgin Austr7952171458589 Brisbane James Trail Flight Changes - Gold Fields Golden Hour Event	\$ 100.00	855
	29-Dec-21	Fairfax Subscriptions	\$ 59.00	855
	22-Dec-21	Ezi*Western Australian WALGA Short Course for Malcolm Cullen - Understanding Local Government 10 Feb 2022	\$ 240.00	855
	22-Dec-21	Ezi*Western Australian WALGA Short Course for Malcolm Cullen - Meeting Procedures 11 Feb 2022	\$ 495.00	855
	22-Dec-21	Ezi*Western Australian WALGA Short Course for Malcolm Cullen - Conflicts of Interest 10 Feb 2022	\$ 240.00	855
	15-Dec-21	Bws Liquor/Kambalda S/C B Kambalda West, Beverages for Council	\$ 99.00	855
	14-Dec-21	News Limited Surry Hills Subscription	\$ 28.00	855
	13-Dec-21	Isubscribe Pty Ltd Syd Au Sydney, 6 Month Subscription	\$ 91.00	855
	13-Dec-21	Ibis Styles East Perth Fd East Perth, Bond for accommodation, James trail	-\$ 100.00	855
	13-Dec-21	Ibis Styles East Perth Fd East Perth, Refund of bond, James Trail	\$ 100.00	855
	10-Dec-21	Xero Au Inv-19453294 GVROC monthly Subscription	\$ 54.00	855
	07-Dec-21	Ibis Styles East Perth Fd East Perth, James Trail	\$ 222.60	855
	07-Dec-21	Adobe Systems Pty Ltd Sydney, Subscription	\$ 515.87	855
	06-Dec-21	Tribe Perth West Perth, Food - Goldfields Golden Hour 01 Dec 2021	\$ 98.52	855
	03-Dec-21	Gm Cabs Pty Ltd Mascot, Cab Charge, James Trail - Goldfields Golden Hour	\$ 61.01	855
	31-Jan-22	Regional Express, GVROC Andrew Mans Flights, Per-Esp, 03 Feb 2022	\$ 386.36	855
	27-Jan-22	Fairfax Subscriptions	\$ 59.00	855
	21-Jan-22	Ingot Hotel Perth, Accommodation Pergy Matsika, 18-19 Jan 2022, Site Visit Red Hill	\$ 479.66	855
	20-Jan-22	Ingot Hotel Perth, Accommodation Barry Donkin, 18-19 Jan 2022, Site Visit Red Hill	\$ 212.73	855
	19-Jan-22	Wanewsdti, Newspaper Subscription	\$ 84.00	855
	14-Jan-22	Virgin Austr7951514508734 Brisbane, Flights Pergy Matsika, Kal-Per Return, 18-19 Jan 2022 - Site Visit Red Hill	\$ 3.20	855
	14-Jan-22	Virgin Austr7952172418133 Brisbane, Flights Pergy Matsika, Kal-Per Return, 18-19 Jan 2022 - Site Visit Red Hill	\$ 339.98	855
	10-Jan-22	Xero Au Inv-19902664, GVROC Subscription	\$ 54.00	855

**Shire of Coolgardie
Payments by Delegated Authority
1st November 2021 to 31 July 2022
Credit Cards**

10-Jan-22	News Limited Credit	-\$	28.00	855
10-Jan-22	News Limited Credit	-\$	3.00	855
07-Jan-22	Adobe Systems Pty Ltd Yearly Licenses 05.01.22 - 04.02.22	\$	515.87	855
05-Jan-22	News Limited, Subscription	\$	28.00	855
28-Feb-22	Fairfax Subscriptions	\$	59.00	855
21-Feb-22	Regional Express Credit for flights for Andrew Mann	-\$	349.16	855
21-Feb-22	Wanewsadv, Kalgoorlie Miner Deaths Notice - Marlene Cullen	\$	100.32	855
10-Feb-22	Xero Au Inv-20357586, GVROC Subscription	\$	54.00	855
07-Feb-22	Adobe Systems Pty Ltd, Monthly Subscription	\$	515.87	855
07-Feb-22	Wanewsadv, Kalgoorlie Miner Deaths Notice - Cyril poke	\$	56.43	855
03-Feb-22	Paypal *Daphneflori, Florist Flowers to Noeline and Family	\$	180.00	855
07-Mar-22	Adobe Acropro Subscription Sydney	\$	515.87	855
08-Mar-22	Zoom.Us 888-799-9666 Annual Membership	\$	216.20	855
10-Mar-22	Xero Au Inv-20818224 GVROC Monthly Subscription	\$	54.00	855
14-Mar-22	Dropbox Annual Subscription	\$	2,243.34	855
16-Mar-22	SurveyMonkey Standard Annual Plan	\$	296.64	855
16-Mar-22	Hotel At Booking.Com Accommodation for Andrew Mann GVROC	\$	159.00	855
16-Mar-22	Qantas Airways Ltd Flights for Andrew Mann, Per-Kal Return, 31 Mar-01Apr 2022, GVROC Meeting Norseman 01 Apr 2022	\$	933.66	855
23-Mar-22	Hotel At Booking.Com Accommodation for Andrew Mann GVROC Cancelled	-\$	159.00	855
28-Mar-22	Fairfax Subscriptions	\$	59.00	855
30-Mar-22	Hotel At Booking.Com Accommodation for James Trail - GVROC OCM	\$	136.16	855
30-Mar-22	Hotel At Booking.Com Accommodation for Jackie Pilkington - GVROC OCM	\$	136.16	855
31-Mar-22	Virgin Aust, Flights for James Trail, Per-Kta Return, 28 Jun-01 Jul 2022, Attending Conference	\$	672.00	855
31-Mar-22	Virgin Aust, Flights for James Trail, Per-Kta Return, 28 Jun-01 Jul 2022, Attending Conference	\$	6.32	855
31-Mar-22	Virgin Austr7951515635902 Brisbane, Flights for Tracey Rathbone, Kal-Per, 15-18 May 2022 - Training	\$	3.70	855
31-Mar-22	Virgin Austr7952174514800 Brisbane, Flights for Tracey Rathbone, Kal-Per, 15-18 May 2022 - Training	\$	394.01	855
31-Mar-22	Qantas Airways Ltd Flights for Pergy Matsika, Kal - Coffs Harbour, 02-06 May 2022, Waste Conference	\$	1,813.82	855
31-Mar-22	Qantas Airways Ltd Pergy Matsika, Kal - Coffs Harbour, 02-06 May 2022, Waste Conference - Changes	\$	144.06	855
07-Apr-22	Cafe 312 Kalgoorlie	\$	18.00	855
07-Apr-22	Gm Cabs Pty Ltd Mascot	\$	14.18	855
08-Apr-22	Virgin Austr7951515760324 Brisbane, Flights for Pergy Matsika, Kal-Per return, 29 Apr - 08 May 2022 - Waste Conference	\$	4.17	855
08-Apr-22	Virgin Austr7952174739699 Brisbane, Flights for Pergy Matsika, Kal-Per return, 29 Apr - 08 May 2022 - Waste Conference	\$	444.00	855
08-Apr-22	Live Taxi Australia, Cab Charges James Trail	\$	11.86	855
08-Apr-22	Adobe Acropro Subs Sydney Subscription	\$	515.87	855
11-Apr-22	Xero Au Inv-21293448 Monthly Subscription	\$	54.00	855
12-Apr-22	Virgin Austr7951515851318 Brisbane, Flights for James Trail, Kal-Per Return, 26-27 May 2022 - Socio Economic Collab	\$	4.59	855
12-Apr-22	Virgin Austr7952174901994 Brisbane, Flights for James Trail, Kal-Per Return, 26-27 May 2022 - Socio Economic Collab	\$	453.00	855
12-Apr-22	Virgin Austr7951515851381 Brisbane, Flights for James Trail, Kal-Per Return, 01-06 Oct 2022, WALGA Week	\$	4.26	855
12-Apr-22	Virgin Austr7952174902124 Brisbane, Flights for James Trail, Kal-Per Return, 01-06 Oct 2022, WALGA Week	\$	488.00	855
13-Apr-22	Virgin Austr7952174928425 Brisbane, Flights for Jackie Pilkington, Kal-Per Return, 30 Sep - 05 Oct 2022 - WALGA Week	\$	433.99	855
13-Apr-22	Virgin Austr7951515866781 Brisbane, Flights for Jackie Pilkington, Kal-Per Return, 30 Sep - 05 Oct 2022 - WALGA Week	\$	4.08	855

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13-Apr-22	Virgin Austr7951515866440 Brisbane, Flights for Jackie Pilkington, Kal-Per Return, 26-29 May 2022 - Socio Economic Collab	\$ 4.17	855
13-Apr-22	Virgin Austr7952174927912 Brisbane, Flights for Jackie Pilkington, Kal-Per Return, 26-29 May 2022 - Socio Economic Collab	\$ 444.00	855
13-Apr-22	Wanewsdti Osborne Park, Quarterly Subscription	\$ 84.00	855
14-Apr-22	Uni Club Of Wa, Meeting for Socio Economic Collaboraion - James Trail	\$ 350.00	855
26-Apr-22	Virgin Austr7951516053877 Brisbane, Flights for James Trail, Kal-Per Return, 19-23 Jun 2022, National General Assembly	\$ 4.72	855
26-Apr-22	Virgin Austr7952175250905 Brisbane, Flights for James Trail, Kal-Per Return, 19-23 Jun 2022, National General Assembly	\$ 502.00	855
26-Apr-22	Virgin Austr7951516053805 Brisbane, Flights for James Trail, Per-Mel Return, 20-22 Jun 2022, National General Assembly	\$ 7.71	855
26-Apr-22	Virgin Austr7952175250732 Brisbane, Flights for James Trail, Per-Mel	\$ 820.00	855
26-Apr-22	Australian Local Government Association, Day Registration, National general Assemblu, James Trail	\$ 489.00	855
26-Apr-22	Virgin Austr7951516031363 Brisbane, Kal-Per Return, 20-23 Sep 2022, James Trail	\$ 4.20	855
26-Apr-22	Virgin Austr7952175215250 Brisbane, Kal-Per Return, 20-23 Sep 2022, James Trail	\$ 447.00	855
26-Apr-22	Virgin Austr7952175215095 Brisbane, Travel Bank Remaining Flight cost for James Trail, Kal-Per, 02-03 May 2022 - Socio Economic Meeting	\$ 97.58	855
26-Apr-22	Virgin Austr7951516031287 Brisbane, Travel Bank Remaining Flight cost for James Trail, Kal-Per, 02-03 May 2022 - Socio Economic Meeting	\$ 0.92	855
26-Apr-22	Expedia*Virgin Au, Accommodation for James Trail 2-3 May 2022 - Meetings for Socio Economic	\$ 147.00	855
29-Apr-22	Fairfax Monthly Subscriptions	\$ 59.00	855
03-May-22	Airportrentals Rental car for James Trail, 02-03 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 357.03	855
04-May-22	City Of Perth Parking for James trail 02 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 4.14	855
05-May-22	City Of Fremantle Parking for James trail 02 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 5.00	855
05-May-22	City Of Kalgoorlie parking for James Trail parking - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 10.00	855
05-May-22	Cpp Mayfair Street West Perth Parking for James trail 02 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 3.53	855
05-May-22	Cpp Regal Place Perth Parking for James trail 02 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 7.07	855
06-May-22	Ace Perth Redcliffe Rental Car deposit for James Trail 02 - 03 May 2022 - Meeting with Australian Venture Consultants in preparation for Socio Eco Conference	\$ 68.89	855
09-May-22	Adobe Acropro Monthly Subscription 05 May to 04 June 2022	\$ 521.86	855
09-May-22	Qantas Airways Flights for Andrew Mann, Per-Kal Return, 27 May 2022 - GVROC Meeting at City of Kalgoorlie Boulder	\$ 649.62	855
09-May-22	De Bernales Kalgoorlie - Meeting with Ali Kent, Local Member of Parliament	\$ 9.64	855
11-May-22	Xero Au Inv-21767721 Monthly Subscription for GVROC 09 May to 08 Jun 2022	\$ 54.00	855
20-May-22	Holiday Inn Accommodation for Tracey Rathbone 15-18 May 2022 - Report Writing Training	\$ 586.16	855
26-May-22	Fairfax Monthly Subscription	\$ 59.00	855

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30-May-22	Spotto Wa Taxi Charge for James Trail 27 May 2022 - Socio Economic Conference	\$	19.75	855
30-May-22	Holiday Inn Accommodation for James Trail 26-27 May 2022 - Socio Economic Conference	\$	162.40	855
30-May-22	Gm Cabs Pty Ltd Taxi Charge for James Trail - Socio Economic Conference	\$	57.75	855
30-May-22	City Of Kalgoorlie Parking for James Trail - Socio Economic Conference	\$	20.00	855
30-May-22	Swan Taxis Pty Ltd Taxi Charges for James Trail - Socio Economic Conference	\$	23.33	855
30-May-22	Champ Wa Taxi Charge for James Trail, Airport to Perth City - Resources meeting	\$	56.18	855
30-May-22	Swan Taxis Pty Ltd for James Trail - Socio Economic Conference	\$	11.67	855
03-Jun-22	Uni Club Of WA, Half Day Executive Package - Mining Meeting	\$	1,760.52	855
06-Jun-22	Virgin Australia Flights for James Trail, Per-Kal Return, 8-11 July 2022 - Meeting regarding major projects	\$	5.88	855
06-Jun-22	Virgin Australia Flights for James Trail, Per-Kal Return, 8-11 July 2022 - Meeting regarding major projects	\$	626.01	855
08-Jun-22	Adobe Acropro Subsubscription	\$	521.86	855
13-Jun-22	Virgin Australia Flights for James Trail, Kal-Per Return, 5-7 Sep 2022 - Energy & Miners Australia Summit	\$	504.00	855
13-Jun-22	Virgin Australia Flights for James Trail, Kal-Per Return, 5-7 Sep 2022 - Energy & Miners Australia Summit	\$	4.74	855
13-Jun-22	Paydirt Media Perth, 2022 Australian Nickel Conference Delectae Registration	\$	685.00	855
13-Jun-22	Xero Au Inv-22248423 Monthly Subscription for GVROC	\$	54.00	855
24-Jun-22	Informa Registration for James Trail - Pilbara Summit Conference	\$	1,648.90	855
27-Jun-22	Fairfax Subscriptions	\$	59.00	855
27-Jun-22	Hotel At Booking.Com Accommodation for James Trail 27-28 June 2022 - Pilbara Summit Conference	\$	179.40	855
30-Jun-22	Virgin Australia James Trail Credit on Fee	-\$	38.00	855
30-Jun-22	City Of Perth Parking for James Trail - Meeting regarding waste facility	\$	7.17	855
30-Jun-22	City Of Stirling Parking for James Trail - Meeting regarding waste facility	\$	3.00	855
30-Jun-22	Qantas Flights for James Trail, Kal-Per, 27 June 2022 - Pilbara Summit	\$	279.92	855
04-Jul-22	Gm Cabs Pty Ltd, Taxi for James Trail - Lithco Meeting	\$	43.58	855
04-Jul-22	Australian Local Gov Credit	-\$	489.00	855
06-Jul-22	Wanewsdti, Monthly Subscription to the West Australian and Sunday Times	\$	84.00	855
06-Jul-22	Karratha Int Hotel, Accommodation for James Trail 26 Jun to 01 Jul 2022 - Pilbara Summit	\$	1,066.20	855
08-Jul-22	Adobe Acropro Organisation Subscription	\$	521.86	855
11-Jul-22	Xero Au Inv-22741594 Subscription for GVROC	\$	54.00	855
15-Jul-22	Virgin Australia, Flights for James Trail, Kal-Per Return, 21 Jul to 23 Jul 2022 - Meetings with AVC, Modular WA & Factory Tours	\$	146.18	855
15-Jul-22	Virgin Australia, Flights for James Trail, Kal-Per Return, 21 Jul to 23 Jul 2022 - Meetings with AVC, Modular WA & Factory Tours	\$	1.37	855
18-Jul-22	Virgin Australia, Flights for James Trail, Per-Ade Return, 09-10 Aug 2022 - Circular Economy Meeting in Adelaide	\$	578.01	855
18-Jul-22	Virgin Australia, Flights for James Trail, Per-Ade Return, 09-10 Aug 2022 - Circular Economy Meeting in Adelaide	\$	5.43	855
22-Jul-22	Ingot Hotel Perth, Accommodation for James Trail, Kal-Per Return, 20 Jul to 23 Jul 2022 - Meetings with AVC, Modular WA & Factory Tours	\$	201.59	855
22-Jul-22	Spotto Wa, Taxi for James Trail for Perth Meetings with AVC, Modular WA & Factory Tours	\$	51.24	855
22-Jul-22	Spotto Wa, Taxi for James Trail for Perth Meetings with AVC, Modular WA & Factory Tours	\$	33.60	855
25-Jul-22	Wa Cabs Pty Ltd, Taxi for James Trail for Perth Meetings with AVC, Modular WA & Factory Tours	\$	41.48	855
25-Jul-22	Eb *Writing, Workshop for Communications officer	\$	374.00	855

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25-Jul-22	Bwc, Taxi for James Trail for Perth Meetings	\$	27.72	855
27-Jul-22	Virgin Australia credit	-\$	70.00	855
27-Jul-22	Virgin Australia Flight for James Trail Kal-Per Return, 01-07 Oct 2022 - WALGA Convention and Nickel Conference	\$	36.99	855
27-Jul-22	Gar*Hotel Reservation, Accommodation for James Trail 05-07 Oct 2022 - Australian Nickel Conference	\$	504.64	855
27-Jul-22	Fairfax Subscriptions, Monthly Financial Review	\$	59.00	855
27-Jul-22	Gm Cabs Pty Ltd Taxi for James Trail - Perth Meetings	\$	33.60	855
29-Jul-22	Diggers & Dealers Mining Forum Registration Kalgoorlie	\$	1,929.10	855