



**AUDIT COMMITTEE MEETING  
20<sup>th</sup> February 2019**

# **AGENDA ATTACHMENTS**

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# SHIRE OF NAREMBREEN

Minutes for the Audit Committee Meeting

21<sup>st</sup> November 2018

**Our Mission:** A rural community working together to create a great place to live, attain a safe, healthy and creative environment, which achieves sustainable and innovative development and economic opportunities.



*Our Values: Respect, Inclusiveness, Fairness & Equity, Communication*

COUNCIL CALENDAR		
Date	Time	Meeting
21 <sup>st</sup> November 2018	12.00pm	Audit Committee Meeting

21 February 2018 MEETING PROGRAMME	
12.00pm	Audit Committee Meeting

## MEETING GUESTS

Nil

# MINUTES

## Audit Committee Meeting of Council 21<sup>st</sup> November 2018, commencing at 12.09pm

### 1.0 Opening & Welcome

12.09pm - The Shire President, Cr Rhonda Cole welcomed everyone to the meeting and declared the meeting open.

### 2.0 Attendance & Apologies

#### Attendance

##### **Councillors**

Cr Rhonda Cole	Shire President - Presiding Person
Cr Kellie Mortimore	Deputy Shire President
Cr William Cowan	Member
Cr Peter Lines	Member
Cr Amy Hardham	Member

##### **Staff**

Mr Chris Jackson	Chief Executive Officer
Miss Bonnie Cole	Executive Manager Corporate Services
Mrs Sheree Thomas	Community & Economic Development Officer (minute taker)

#### Apologies

Cr Bevan Thomas	Member
Cr Alan Wright	Member
Cr Scott Stirrat	Member

### 3.0 Declarations of Interest

Nil

### 4.0 Public Question Time & Deputations (15 min)

<b>5.0 Minutes of Previous Meetings</b>
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**5.1 Confirmation of Audit Committee Minutes of 21<sup>st</sup> February 2018.**

5.1.1 Confirmation of Minutes

Confirmation of Minutes from the Shire of Narembreen Audit Committee Meeting held on 21<sup>st</sup> February 2018.

**RECOMMENDATION:**

That the Shire of Narembreen Audit Committee confirm the minutes of the Audit Committee Meeting held on 21<sup>st</sup> February 2018.

**COUNCIL RESOLUTION**

**MIN**                      **MOTION -** Moved Cr. K Mortimore                      2nd Cr. A Hardham

*That the Shire of Narembreen Audit Committee confirm the minutes of the Audit Committee Meeting held on 21<sup>st</sup> February 2018.*

**CARRIED 5/0**

## 6.0 Staff Reports

### AGENDA ITEM: 6.1 - Regulation 17 – Risk Management Review

<b>Subject:</b>	Risk Management Review
<b>Applicant:</b>	Shire of Narembeen
<b>File Ref:</b>	ADM588
<b>Disclosure of Interest (Staff):</b>	Nil
<b>Disclosure of Interest (Member):</b>	Nil
<b>Author:</b>	Bonnie Cole
<b>Date:</b>	13 November 2018
<b>Attachments:</b>	Shire of Narembeen Risk Management Review

#### SUMMARY

To review Council's risk management as required by at least once every two years as per the Local Government (Audit) Regulation 17.

#### BACKGROUND

At the Audit Committee Meeting held on 17<sup>th</sup> December 2014, the following was resolved:

##### **COMMITTEE RECOMMENDATION**

**MIN A9/14 MOTION** – Moved: Cr. Cole 2<sup>nd</sup>: Cr. DeLuis

1. *That Council adopt the Risk Management Governance Framework as presented which included a shire of Narembeen Risk Management Policy and Risk Management Procedure as part of the review of Audit Regulation 17;*
2. *That Council approve the presented Risk Management report that includes the "Risk Profiles" for the 16 themes and the covering Shire of Narembeen Risk Dashboard Report November 2014.*
3. *That Council endorse this report as compliance with meeting the requirements of Audit Regulation 17.*

**CARRIED 3/0**

At the Audit Committee Meeting held on 21<sup>st</sup> December 2016 the following was resolved:

##### **COMMITTEE RESOLUTION**

**MIN MOTION** – Moved: Cr. Thomas 2<sup>nd</sup>: Cr. DeLuis

*That Council:*

1. *Approve the presented Risk Management report that includes 16 Risk Profile themes as part of the Shire of Narembeen Risk Dashboard Report November 2016.*
2. *Endorse this report as compliant with meeting the requirements of Audit Regulation 17*

**CARRIED 4/0**

#### COMMENT

The CEO and the EMCS reviewed the Risk Management Dashboard Report originally developed in November 2014 when the first risk management review was held with management and the LGIS. This was previously updated in November 2016 as part of a Risk Management Workshop with Senior Management, facilitated by LGIS.

Discussion was held with regard to the document and Risk Management within the Shire of Narembeen.

Attached is a copy of the Dashboard as at 13<sup>th</sup> November 2018 with the associated 16 specific themes identified for risk management.

## CONSULTATION

Chief Executive Officer  
LGIS

## STATUTORY IMPLICATIONS

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996*

### **17. CEO to review certain systems and procedures**

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

## FINANCIAL IMPLICATIONS

Nil

## POLICY IMPLICATIONS

Nil

## STRATEGIC PLAN REFERENCE

### **Shire of Narembreen Strategic Community Plan 2017 – 2027**

*Goal 1: Focus upon our local economic drivers to retain and grow existing businesses, employment and to attract new industry.*

*Goal 2: Internal and external relationships actively grow our Shire population and positive financial position.*

## RELATED PARTY TRANSACTIONS

There are no known related party transactions at this time

## OFFICER RECOMMENDATION

That Council:-

1. Approve the presented Risk Management report that includes 16 Risk Profile themes as part of the Shire of Narembreen Risk Dashboard Report November 2018.
2. Endorse this report as compliant with meeting the requirements of Audit Regulation 17.

## COUNCIL RESOLUTION

**MIN**

**MOTION** - Moved Cr. W Cowan

2nd Cr. K Mortimore

*That Council:-*

- 1. Approve the presented Risk Management report that includes 16 Risk Profile themes as part of the Shire of Narembeen Risk Dashboard Report November 2018.*
- 2. Endorse this report as compliant with meeting the requirements of Audit Regulation 17.*

**CARRIED 5/0**

# Shire of Narembreen Risk Dashboard Report November 2018

## Executive Summary

Reports will continue to provide relevant insight and recommendations to assist governance activities for the Management Team. It is supported by the attached documents that were produced through discussions between CEO & EMCS in November 2018.

1. Risk Profiles for the 16 themes discussed.

## Recommendations

### Embedding

1. Arrange for the attached Policy amendments and Procedures to be endorsed and adopted.

### Risk Profiles

1. Discuss and review the attached Risk Profiles Review and approve all Risk Profiles (from a Risk & Control perspective).
2. Confirm Current Issues / Actions / Treatments (Responsibility & Due Date)

<u>Misconduct</u>		Risk		Control	
Current Issues / Actions / Treatments		Moderate		Adequate	
Due Date		Responsibility		Responsibility	
Ensure adequate recording of quotes received - place unsuccessful quotes with successful purchase order	Immediate	All			
Develop a password refresh policy / process - SFO undertook Password review and changes Dec 14	Jun-19	EMCS			
Refresh Induction Process for new starters - Induction procedures improved since FO1 commenced	Jun-19	CEO			

  

<u>Inadequate environmental management</u>		Risk		Control	
Current Issues / Actions / Treatments		Moderate		Adequate	
Due Date		Responsibility		Responsibility	
ISSUE - Continued usage and management of waste water usage	Jun-19	CEO/EHO			
ISSUE - Below ground Fuel Tank at Depot (Decommissioned)	Dec-19	CEO/EHO			
ISSUE - Wash down bays at Depot and Saleyards	Jun-19	CEO/EHO			

  

<u>Business &amp; community disruption</u>		Risk		Control	
Current Issues / Actions / Treatments		Moderate		Adequate	
Due Date		Responsibility		Responsibility	

  

<u>Errors, omissions &amp; delays</u>		Risk		Control	
Current Issues / Actions / Treatments		High		Responsibility	
Due Date		Responsibility		Responsibility	
No Action required at this time					

# Shire of Narembreen Risk Dashboard Report November 2018

<u>External theft &amp; fraud (inc. Cyber Crime)</u>			Risk	Control
Current Issues / Actions / Treatments			Moderate	Adequate
Due Date			Responsibility	

<u>Failure of IT &amp;/or communication systems and infrastructure</u>			Risk	Control
Current Issues / Actions / Treatments			Moderate	Adequate
Due Date			Responsibility	
Review IT Support for Shire IT Infrastructure / Systems				EMCS
Develop an IT Infrastructure Replacement program				EMCS
#REF!				#REF!
Review Communication Plan for Elected Members - Currently on hold				CEO

<u>Failure to fulfil statutory, regulatory or compliance requirements</u>			Risk	Control
Current Issues / Actions / Treatments			Moderate	Adequate
Due Date			Responsibility	

<u>Inadequate safety and security practices</u>			Risk	Control
Current Issues / Actions / Treatments			High	Adequate
Due Date			Responsibility	
Share Contractors inductions processes				BM
Review list of OSH Priorities				OSH Committee
Ongoing				Management
Jun-19				

<u>Providing inaccurate advice / information</u>			Risk	Control
Current Issues / Actions / Treatments			Moderate	Adequate
Due Date			Responsibility	
Training for front line staff-Public relations				CEO/EMCS
Jun-19				

<u>Ineffective employment practices</u>			Risk	Control
Current Issues / Actions / Treatments			High	Adequate
Due Date			Responsibility	
Policy Review				EMCS
Jun-19				
Workforce Plan requires updating				EMCS/CEO
Jun-19				

# Shire of Narembreen Risk Dashboard Report November 2018

<u>Inadequate document management processes</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		High	Adequate
Review current Records Management Plan	Jun-19		Responsibility	CEO/EMCS
Improve process for recording mail incoming and outgoing to ensure complete capture	Jun-19			EMCS
<u>Inadequate engagement practices</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		Moderate	Adequate
No action at this time			Responsibility	
<u>Inadequate asset sustainability practices</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		Moderate	Adequate
			Responsibility	
<u>Inadequate project / change management</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		Not Material	Not Rated
No actions required at this stage			Responsibility	
<u>Inadequate supplier / contract management</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		#N/A	Not Rated
			Responsibility	
<u>Ineffective management of facilities / venues / events</u>			Risk	Control
Current Issues / Actions / Treatments	Due Date		Moderate	Adequate
Develop Events Policy	Jun-19		Responsibility	CEO / EHO

## Business & community disruption

Nov-18

### This Risk Theme is defined as:

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

### Potential causes include:

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended power outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Date	Shire Rating
<i>Business Continuity Program</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Volunteer Management &amp; Training</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Inadequate</b>
<i>LEM Exercises</i>	<i>Detective</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Functional LEMC</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Current LEMA &amp; Recovery Plans</i>	<i>Recovery</i>	<i>Nov-18</i>	<b>Adequate</b>

### **Overall Control Ratings:**

**Adequate**

Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Catastrophic</i>
<b>Likelihood:</b>	<i>Rare</i>

### **Overall Risk Ratings:**

**Moderate**

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Hold Training exercises</i>			
<i>Quarterly LEMC Meetings</i>			

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility

## Failure of IT &/or communication systems and infrastructure

Nov-18

### This Risk Theme is defined as:

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network

• Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

### Potential causes include:

- Weather impacts
- Power outage at service provider
- Out dated / inefficient hardware
- Incompatibility between operating system and Microsoft
- Power failure
- Infrastructure breakdown such as landlines, radio communications.
- Lack of training
- Software vulnerability (e.g. MS Access)

Key Controls	Type	Date	Shire Rating
Data Back up Systems	Recovery	Nov-18	Adequate
Performance Monitoring (PCS)	Detective	Nov-18	Adequate
UPS	Preventative / Recovery	Nov-18	Adequate
Disaster Recovery Plan (PCS Support)	Detective	Nov-18	Adequate
IT Infrastructure Replacement / Refresh Program	Preventative	Nov-18	Inadequate

Overall Control Ratings:

Adequate

### Risk Ratings

Shire Rating

Consequence: Moderate

Likelihood: Possible

Overall Risk Ratings:

Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
Development IT replacement		Jun-19	
<u>Comments</u>			

Current Issues / Actions / Treatments	Due Date	Responsibility
Review IT Support for Shire IT Infrastructure / Systems	Jun-19	EMCS
Develop an IT Infrastructure Replacement program	Jun-19	EMCS
Transferring to NBN in the future	Jun-19	EMCS
Review Communication Plan for Elected Members - Currently on hold	Jun-19	CEO

## External theft & fraud (inc. Cyber Crime)

Jan-18

### This Risk Theme is defined as:

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

### Potential causes include:

- Inadequate security of equipment / supplies / cash
- Robbery
- Scam Invoices
- Inadequate provision for patrons belongings
- Lack of Supervision

Key Controls	Type	Date	Shire Rating
<i>Security access for Shire Buildings</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>IT Firewall Systems</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Moderate</i>
<b>Likelihood:</b>	<i>Unlikely</i>
<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Key Indicators	Tolerance	Date	Overall Shire Result
<b>Comments</b>			

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Office Door Code - Regularly change code</i>	<i>ongoing</i>	<i>EMCS</i>

## Misconduct

Nov-18

### This Risk Theme is defined as:

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

### Potential causes include:

- Lack of training
- Changing of job titles
- Delegated authority process inadequately implemented
- Disgruntled employees
- Lack of understanding
- Poor internal checks (PO's and delegated authority)
- Password sharing

Key Controls	Type	Date	Shire Rating
<i>Delegation Register - Framework</i>	<i>Detective</i>	<i>Nov-18</i>	<i>Effective</i>
<i>IT Security Access Framework (Profiles &amp; Passwords)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Induction Process (Code of Conduct)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Procurement Process (Purchase Order Process)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Effective</i>

<b>Overall Control Ratings:</b>	<b>Adequate</b>
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Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Major</i>
<b>Likelihood:</b>	<i>Unlikely</i>

<b>Overall Risk Ratings:</b>	<b>Moderate</b>
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Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ensure adequate recording of quotes received - place unsuccessful quotes with successful purchase order</i>	<i>immediate</i>	<i>All</i>
<i>Develop a password refresh policy / process - SFO undertook Password review and changes Dec</i>	<i>Jun-19</i>	<i>EMCS</i>
<i>Refresh Induction Process for new starters - Induction procedures improved since FO1 commenced</i>	<i>Jun-19</i>	<i>CEO</i>

# Inadequate safety and security practices

Nov-18

## This Risk Theme is defined as:

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

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

## Potential causes include:

- Lack of appropriate PPE / Equipment
- Inadequate first aid supplies or trained staff
- Rubbish / Litter Control
- Inadequate security arrangements
- Inadequate signage, barriers or other exclusion techniques
- Storage and use of Dangerous Goods
- Ineffective / inadequate testing, sampling (similar) health based req'
- Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Shire Rating
Workplace Inspections	Preventative	Nov-18	Adequate
Staff Individual Training Plans	Preventative	Nov-18	Adequate
Hazard Register	Detective	Nov-18	Adequate
OSH Management Framework	Preventative	Nov-18	Adequate
Contractor / Site Inductions	Preventative	Nov-18	Adequate
Staff Inductions	Preventative	Nov-18	Adequate

**Overall Control Ratings:** Adequate

Risk Ratings	Shire Rating
Consequence:	Catastrophic
Likelihood:	Unlikely
<b>Overall Risk Ratings:</b>	<b>High</b>

Key Indicators	Tolerance	Date	Overall Shire Result
Lost time Incident Frequency Rate			
Worksafe inspections			

## Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Share Contractors inductions processes	Jun-19	BM
Review list of OSH Priorities	Ongoing	OSH Committee
LGIS Tier 1 Assessment - Address Action Plan for improvement	Jun-19	Management

## Inadequate project / change management

Nov-14

### This Risk Theme is defined as:

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

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Sustainability Practices"

### Potential causes include:

- Lack of communication and consultation
- Lack of investment
- Ineffective management of expectations (scope creep)
- Inadequate project planning (resources/budget)
- Shire growth (too many projects)
- Inadequate monitoring and review
- Project risks not managed effectively
- Lack of Project methodology knowledge and reporting requirements

Key Controls	Type	Date	Shire Rating
<i>Project Management Framework (Methodology)</i>	<i>Preventative</i>		
<i>Project Status Reporting</i>	<i>Detective</i>		

Overall Control Ratings:

**Not Rated**

Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Not Material</i>
<b>Likelihood:</b>	<i>Not Material</i>

Overall Risk Ratings:

**Not Material**

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

### Current Issues / Actions / Treatments

Due Date

Responsibility

*No actions required at this stage*

## Errors, omissions & delays

Nov-18

### This Risk Theme is defined as:

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

### Potential causes include:

- Human Error
- Inadequate procedures or training
- Lack of Staff (or trained staff)
- Incorrect information
- Miscommunication
- 

Key Controls	Type	Date	Shire Rating
<i>Documented Procedures / Checklists</i>		<i>Nov-18</i>	<b>Effective</b>
<i>Feedback Register</i>		<i>Nov-18</i>	<b>Adequate</b>
<i>Complaints Register</i>		<i>Nov-18</i>	<b>Adequate</b>
<i>Segregation of Duties (Financial Control)</i>		<i>Nov-18</i>	<b>Effective</b>

<b>Overall Control Ratings:</b>	<b>Adequate</b>
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Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Moderate</i>
<b>Likelihood:</b>	<i>Likely</i>
<b>Overall Risk Ratings:</b>	<b>High</b>

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>No Action required at this time</i>		

# Inadequate document management processes

Nov-18

## This Risk Theme is defined as:

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

## Potential causes include:

- Spreadsheet/Database/Document corruption or loss
- Inadequate access and / or security levels
- Inadequate Storage facilities (including climate control)
- High Staff turnover
- Outdated record keeping practices / incompatible systems
- Lack of system/application knowledge
- High workloads and time pressures
- Incomplete authorisation trails

Key Controls	Type	Date	Shire Rating
<i>Policy &amp; Procedural Review Process</i>	<i>Detective</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Records Management Process</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Records Management Policy</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Document / Correspondence receipt &amp; action process</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>

<b>Overall Control Ratings:</b>	<b>Adequate</b>
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Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Moderate</i>
<b>Likelihood:</b>	<i>Likely</i>

<b>Overall Risk Ratings:</b>	<b>High</b>
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Key Indicators	Tolerance	Date	Overall Shire Result

## Comments

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Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Review Records Plan</i>	<i>Jun-19</i>	<i>EMCS</i>
<i>Improve process for recording mail incoming and outgoing to ensure complete capture</i>	<i>Jun-19</i>	<i>EMCS</i>

## Inadequate supplier / contract management

Nov-18

### This Risk Theme is defined as:

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

- Concentration issues
- Vendor sustainability

### Potential causes include:

- Funding
- Complexity and quantity of work
- Inadequate tendering process
- Geographical remoteness
- Inadequate contract management practices
- Ineffective monitoring of deliverables
- Lack of planning and clarity of requirements
- Historical contracts remaining

Key Controls	Type	Date	Shire Rating
<i>Contract Management System</i>	<i>Preventative</i>		
<i>Review Meetings (Waste Mgt)</i>	<i>Detective</i>		

Overall Control Ratings:

**Not Rated**

Risk Ratings	Shire Rating
<i>Consequence:</i>	
<i>Likelihood:</i>	
Overall Risk Ratings:	#N/A

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility

## Providing inaccurate advice / information

Nov-18

### This Risk Theme is defined as:

Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct.

Examples include;

- incorrect planning, development or building advice,
- incorrect health or environmental advice
- inconsistent messages or responses from Customer Service Staff
- any advice that is not consistent with legislative requirements or local laws.

### Potential causes include:

- Lack of qualified staff
- Long lead times for responses
- Increasing workloads
- Lack of appropriate technical knowledge relevant to the context
- Poor working relationships between internal staff/departments

Key Controls	Type	Date	Shire Rating
<i>Regular Meetings</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Training - Staff</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Peer Review Process - Building / Health advice</i>	<i>Preventative</i>		
<i>Complaints Register</i>	<i>Detective</i>	<i>Nov-18</i>	<b>Adequate</b>

<b>Overall Control Ratings:</b>	<b>Adequate</b>
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Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Minor</i>
<b>Likelihood:</b>	<i>Possible</i>

<b>Overall Risk Ratings:</b>	<b>Moderate</b>
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Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Reactivate staff meetings</i>	<i>Jun-19</i>	<i>CEO</i>

## Ineffective employment practices

Nov-18

### This Risk Theme is defined as:

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

### Potential causes include:

- Leadership failures
- Available staff / volunteers are generally highly transient.
- Single Person Dependencies
- Poor internal communications / relationships
- Ineffective performance management programs or procedures.
- Ineffective training programs or procedures.
- Limited staff availability - mining / private sectors (pay & conditions).
- Inadequate Induction practices.

Key Controls	Type	Date	Shire Rating
<i>Policy &amp; Procedures</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Training Needs Analysis &amp; Training Register</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Workforce Plan (Succession Planning Component)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Inadequate</i>
<i>Staff Inductions (Code of Conduct Component)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Performance Review Process</i>	<i>Detective</i>	<i>Nov-18</i>	<i>Adequate</i>

<b>Overall Control Ratings:</b>	<b>Adequate</b>
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Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Major</i>
<b>Likelihood:</b>	<i>Possible</i>

<b>Overall Risk Ratings:</b>	<b>High</b>
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Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Policy Review</i>	<i>Jun-19</i>	<i>EMCS</i>
<i>Workforce Plan requires updating</i>	<i>Jun-19</i>	<i>EMCS/CEO</i>

## Failure to fulfil statutory, regulatory or compliance requirements

Nov-18

### This Risk Theme is defined as:

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

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

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

### Potential causes include:

- Lack of training, awareness and knowledge
- Staff Turnover
- Inadequate record keeping
- Ineffective processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Shire Rating
Compliance Return (DLG)	Detective	Nov-18	Effective
Compliance Calendars	Preventative	Nov-18	Adequate
External Auditor Reviews (Compliance)	Detective	Nov-18	Effective
Subscriptions (WALGA)	Preventative	Nov-18	Effective
Induction Process - Councillors / Staff	Preventative	Nov-18	Adequate
Staff Network Channels	Preventative	Nov-18	Adequate
Tender Process (eQuotes)	Preventative	Nov-18	Effective

**Overall Control Ratings:** Adequate

Risk Ratings	Shire Rating
Consequence:	Major
Likelihood:	Rare
<b>Overall Risk Ratings:</b>	<b>Low</b>

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

Current Issues / Actions / Treatments	Due Date	Responsibility

## Inadequate asset sustainability practices

Nov-18

### This Risk Theme is defined as:

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

### Potential causes include:

- Skill level & behaviour of operators
- Lack of trained staff
- Outdated equipment
- Unavailability of parts
- Lack of formal or appropriate scheduling (maintenance / inspections)
- Unexpected breakdowns

Key Controls	Type	Date	Shire Rating
Asset Management System (various)	Preventative		
Asset Management Plan	Preventative		
Planned Building Maintenance	Detective	Nov-18	Adequate
Planned Replacement Program	Preventative	Nov-18	Adequate
Road Asset Management System (ROMANS)	Preventative	Nov-18	Adequate

Overall Control Ratings:

Not Rated

Risk Ratings	Shire Rating
Consequence:	
Likelihood:	
Overall Risk Ratings:	#N/A

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

### Current Issues / Actions / Treatments

Due Date

Responsibility


## Inadequate engagement practices

Nov-18

### This Risk Theme is defined as:

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

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

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

### Potential causes include:

- Budget / funding issues
- Media attention
- Inadequate documentation or procedures
- Short lead times
- Miscommunication / Poor communication
- Relationship breakdowns with community groups

Key Controls	Type	Date	Shire Rating
<i>Community Engagement Framework (Organisational Based)</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Planning based engagement (Consultation Policy)</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Procedures</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>

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

Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Moderate</i>
<b>Likelihood:</b>	<i>Unlikely</i>
<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

### Current Issues / Actions / Treatments

*No action at this time*

### Due Date

### Responsibility

## Ineffective management of facilities / venues / events

Nov-18

### This Risk Theme is defined as:

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

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

### Potential causes include:

- Double bookings
- Illegal alcohol consumption
- Managing bond payments
- Animal contamination.
- Failed chemical / health requirements.
- Access to facilities / venues.

Key Controls	Type	Date	Shire Rating
<i>Events Policy / Procedures</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Booking System (Manual)</i>	<i>Preventative</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Maintenance Schedules</i>	<i>Detective</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Community Feedback process</i>	<i>Detective</i>	<i>Nov-18</i>	<i>Adequate</i>
<i>Gym Usage Process</i>		<i>Nov-18</i>	<i>Adequate</i>
<i>Pool Management Process</i>		<i>Nov-18</i>	<i>Adequate</i>

### Overall Control Ratings:

*Adequate*

Town Hall, Pool, Rec Centre, Gym, Caravan Park  
Triathlon, Ladies Long Lunch, Australia Day Breakfast. Bowls  
OzDay Carnival

Risk Ratings	Shire Rating
<i>Consequence:</i>	<i>Moderate</i>
<i>Likelihood:</i>	<i>Unlikely</i>

### Overall Risk Ratings:

*Moderate*

Key Indicators	Tolerance	Date	Overall Shire Result

### Comments

### Current Issues / Actions / Treatments

Due Date	Responsibility
<i>Jun-19</i>	<i>CEO / EHO</i>

# Inadequate environmental management

Nov-18

## This Risk Theme is defined as:

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

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

## Potential causes include:

- Inadequate management of landfill sites
- Inadequate reporting / oversight frameworks
- lack of understanding / knowledge
- Community apathy.
- Inadequate local laws / planning schemes

Key Controls	Type	Date	Shire Rating
<i>Transfer Station Operational Management (Contract Oversight)</i>	<i>Detective</i>	<i>Nov-18</i>	<b>Effective</b>
<i>Salt Drains Program / Maintenance</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Skeleton Weed Control Program (Dept AG driven)</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Support Environmental Groups (eg. WWG)</i>	<i>Preventative</i>	<i>Nov-18</i>	<b>Adequate</b>
<i>Reclaimed Waste Water usage monitoring</i>	<i>Detective</i>	<i>Nov-18</i>	<b>Effective</b>

## Overall Control Ratings:

**Adequate**

Risk Ratings	Shire Rating
<b>Consequence:</b>	<i>Moderate</i>
<b>Likelihood:</b>	<i>Unlikely</i>
<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Key Indicators	Tolerance	Date	Overall Shire Result

## Comments

## Current Issues / Actions / Treatments

*ISSUE - Continued usage and management of waste water usage*

## Due Date

*Jun-19*

## Responsibility

*CEO/EHO*

*ISSUE - Below ground Fuel Tank at Depot (Decommissioned)*

*Dec-19*

*CEO/EHO*

*ISSUE - Standpipes and Wash down Bay*

*Jun-19*

*CEO/EHO*

## **AGENDA ITEM: 6.2 - Shire of Narembreen 2017/2018 Annual Report**

<b>Subject:</b>	Shire of Narembreen 2017/2018 Annual Report
<b>Applicant:</b>	Shire of Narembreen
<b>File Ref:</b>	ADM477
<b>Disclosure of Interest (Staff):</b>	Nil
<b>Disclosure of Interest (Member):</b>	Nil
<b>Author:</b>	Miss Bonnie Cole, Executive Manager Corporate Services
<b>Date:</b>	14 <sup>th</sup> November 2018
<b>Attachments:</b>	Shire of Narembreen Annual Report for the Year ending 30 June 2018, Shire of Narembreen Independent Auditors Financial Report and Management Report, CRC Annual Financial Report

### **SUMMARY**

To review Council's Annual Report as required by regulation.

### **BACKGROUND**

Local Governments are required to produce an audited annual financial report each year (Local Government Act 1995 s6.4) for audit.

### **COMMENT**

The audited Annual Financial Report for the 2017/2018 financial year has been received together with the Independent Auditor's Report and Management Report and has been presented to the Audit Committee for consideration and recommendation to Council.

Council's auditor reported that in his opinion the Shire of Narembreen's Financial Report complies with the Local Government Act and associated Regulations and gives a true and fair view of the Shire's financial position and its financial performance and cash flows as at 30 June 2017 and complies with Australian Accounting Standards. This means the audit is a clean (unqualified) audit report.

In the management letter, the auditors have commented on only two ratios, those being our Operating Surplus Ratio and Asset Sustainability Ratio.

The Operating Surplus Ratio has declined from last year. The main reason for this is the increase in operating expenditure. This can be related to the WANDRRA works that have been undertaken but not yet reimbursed for. However it is important to note that the increases in operating expenses do need to be kept in comparison to increases of own source funding.

The Asset Sustainability Ratio compares capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. The auditors have noted that this year ratio down to 0.72 which is below the Department of Local Government, Sport and Cultural Industries target level of 0.90. This ratio has fluctuated over the past five years and is trending downwards. The introduction of revaluation of assets, especially roads, has had a huge impact on this ratio as the depreciation rate now is higher as a result of revaluations. Council have also created a number of new assets rather than renewing old one. While significant funds have been injected into capital works programs, only renewal and replacement is taken into account for this ratio.

## CONSULTATION

Chief Executive Officer  
Executive Manager Corporate Services  
Auditors, Moore Stephens  
Middleton Accountants  
Griffin Valuation Services

## STATUTORY IMPLICATIONS

Local Government Act 1995, Part 6 Financial Management

### s6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
  - (a) be prepared and presented in the manner and form prescribed; and
  - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —
  - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
  - (b) the annual financial report of the local government for the preceding financial year.

### ***Local Government (Financial Management) Regulations 1996, Part 4 Financial Reports***

- r36. Annual financial report, content of (Act s. 6.4(2))
- r37. Trust fund, information about in annual financial report
- r38. Reserve accounts, information about in annual financial report
- r39. Rates, information about in annual financial report
- r40. Service charges, information about in annual financial report
- r41. Fees and charges, information about in annual financial report
- r42. Discounts for early payment etc., information about in annual financial report
- r43. Interest charges etc., information about in annual financial report
- r44. Fees etc. to council members, information about in annual financial report
- r45. Trading undertakings, information about in annual financial report
- r46. Major land transactions, information about in annual financial report
- r47. Completed major land transactions, information about in annual financial report
- r48. Borrowings, information about in annual financial report
- r49. Invested money, information about in annual financial report
- r50. Financial ratios to be included in annual financial report
- r51. Annual financial report to be signed etc. by CEO and given to Department

## FINANCIAL IMPLICATIONS

Costs associated with the audit will be charged to Account 4111300 audit fees, in the Shire of Narembeen Annual Budget 2018/2019 as per agreement with Moore Stephens.

## POLICY IMPLICATIONS

There are no known policy implications in considering this item.

## STRATEGIC PLAN REFERENCE

## **Shire of Narembeen Strategic Community Plan 2017 – 2027**

*Goal 2: Internal and external relationships actively grow our Shire population and positive financial position.*

2.1 Our organisation model is responsive to economic conditions, the delivery of core services and infrastructure so too the successful pursuit of economic opportunities that benefit our community.

### **RELATED PARTY TRANSACTIONS**

There are no known related party transactions associated with this item.

### **OFFICER RECOMMENDATION**

That the Committee recommend to Council:-

1. Receive the Shire of Narembeen audited Annual Financial Report for the 2017/2018 financial year, including the Annual Financial Report of the Narembeen Community Resource Centre;
2. Adopt the Annual Report, including the Annual Financial Report, Auditor's Report and Management Report as recommended by the Audit Committee; and
3. Advertise the Annual Electors Meeting to be held at 6.00pm on Tuesday 11<sup>th</sup> December 2018 in Council Chambers.

### **COUNCIL RESOLUTION**

**MIN**                      **MOTION** - Moved Cr. A Hardham                      2nd Cr. K Mortimore

*That the Committee recommend to Council:-*

1. *Receive the Shire of Narembeen audited Annual Financial Report for the 2017/2018 financial year, including the Annual Financial Report of the Narembeen Community Resource Centre;*
2. *Adopt the Annual Report, including the Annual Financial Report, Auditor's Report and Management Report as recommended by the Audit Committee; and*
3. *Advertise the Annual Electors Meeting to be held at 6.00pm on Tuesday 11<sup>th</sup> December 2018 in Council Chambers.*

**CARRIED 5/0**

<b>7.0 Other Business</b>
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<b>8.0 Next Meeting</b>
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20th February 2019

<b>9.0 Closure</b>
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There being no further business the Chair declared the meeting closed at 12.27pm.

<b>10.0 Closure</b>
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I, Cr Rhonda Cole, Shire President certify that the minutes of the meeting held on 21st November 2018, as shown on pages 1 to 29 are confirmed as a true and correct record of the meeting held.

\_\_\_\_\_  
Cr Rhonda Cole  
Presiding Person

\_\_\_\_\_  
Date



Department of  
**Local Government, Sport  
and Cultural Industries**

## Narembreen - Compliance Audit Return 2018

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	N/A		Chris Jackson
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A		Chris Jackson
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2018.	N/A		Chris Jackson
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	N/A		Chris Jackson
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Chris Jackson



<b>Delegation of Power / Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Chris Jackson
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Chris Jackson
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Chris Jackson
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Chris Jackson
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	N/A		Chris Jackson
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Chris Jackson
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Chris Jackson
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Chris Jackson
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Chris Jackson
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Chris Jackson
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Chris Jackson
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2017/2018 financial year.	Yes		Chris Jackson
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Chris Jackson

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Chris Jackson
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Chris Jackson



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No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Chris Jackson
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A		Chris Jackson
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Chris Jackson
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		Chris Jackson
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		Chris Jackson
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Chris Jackson
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Chris Jackson
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Chris Jackson
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Chris Jackson
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Chris Jackson
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Chris Jackson
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Chris Jackson



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No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Chris Jackson
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Chris Jackson

### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Chris Jackson
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Chris Jackson

### Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Chris Jackson
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	Yes		Chris Jackson
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Chris Jackson
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Chris Jackson
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes		Chris Jackson
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes		Chris Jackson
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Chris Jackson



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No	Reference	Question	Response	Comments	Respondent
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Chris Jackson
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Chris Jackson
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Chris Jackson
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Chris Jackson
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Chris Jackson
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Chris Jackson
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Chris Jackson
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes		Chris Jackson
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A		Chris Jackson



<b>Integrated Planning and Reporting</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	19 December 2018	Chris Jackson
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		Chris Jackson
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	18 October 2017	Chris Jackson
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		Chris Jackson
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Strategic Resource Plan 20 June 2018	Chris Jackson
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Strategic Resource Plan 20 June 2018	Chris Jackson
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	17 December 2014 review to commence 2019	Chris Jackson



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<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Chris Jackson
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes		Chris Jackson
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Chris Jackson
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Chris Jackson
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Chris Jackson



<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Chris Jackson
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Chris Jackson
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Chris Jackson
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Chris Jackson
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Chris Jackson
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Chris Jackson

<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Chris Jackson
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Chris Jackson
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Chris Jackson
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Chris Jackson



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A		Chris Jackson
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Chris Jackson
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Chris Jackson
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Chris Jackson
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Chris Jackson
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Chris Jackson
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Chris Jackson
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Chris Jackson
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Chris Jackson
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Chris Jackson
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Chris Jackson
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Chris Jackson



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No	Reference	Question	Response	Comments	Respondent
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Chris Jackson
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Chris Jackson
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Chris Jackson
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Chris Jackson
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Chris Jackson
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Chris Jackson
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Chris Jackson
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Chris Jackson
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Chris Jackson



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I certify this Compliance Audit return has been adopted by Council at its meeting on

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Signed Mayor / President, Narembeen

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Signed CEO, Narembeen

## **Shire of Narembreen**

### **Annual Compliance Calendar**

Annual Compliance Calendar					
January		February		March	
Gift Register	CEO/CED	Budget Review	EMCS	Pool Sampling	PM
R2R Quarterly Report	EMCS	Pool Sampling	PM	Property Inspections	BM/FO1
Pool Sampling	PM	LG Week Accom	CED	Bushfire meeting	CFO/CEO
CRC Quarterly Stats DRD	CRCM	LG Week Attendance	CEO	Road inspection	Council
Policy Review	CEO/EMCS	Compliance Audit to Council	CEO	Corporate Business Plan Review	CEO/EMCS
DAIP Review	EMCS	Inspection Letters	BM/FO1	ANZAC Day preparations	CED
Australia Day Breakfast		Rent Reviews	FO1	Triathlon	CRC
Triathlon Preparation	CRC	LEMC Meeting	CEO/FO1	Asbestos Manag. Plan Desktop review	
		OSH Meeting	CEO/WM		
		Update Honour boards	CED		
		Rates Instalment Notices	FO1		
April		May		June	
Interim Audit Visit	EMCS	Proposed Fees & Charges	EMCS	Councillor Reimbursements	CED
FBT Return	EMCS	Proposed Salaries to Council	CEO/EMCS	Rates Information Booklet	EMCS/FO1
Insurance review	FO1	Proposed Roads to Council	EMCS/WM	Pensioners not yet claimed	FO1
Staff Reviews	CEO/EMCS	Rates Modelling	EMCS/FO1	Proposed rental increase letters	FO1
Community Budget Submissions	EMCS/CED	Review Plant costs	EMCS	Stationery for Rates	FO1
R2R Quarterly Report	EMCS	LEMC Meeting	CEO/FO1	Action Plan to DRD CRC	CRCM
Fees & Charges Review	EMCS/FO1	OSH Meeting	CEO/WM		
R2R Draft budget inclusions	WM/CEO				
Air Con services	BM				
CRC Quarterly Stats DRD	CRCM				
CRC Business Plan	CRCM/EMCS				
Smoke Detector Checks	BM				
ANZAC Day Service	CED				
Pool Closing Inspection	PM				
July		August		September	
Budget Adoption	EMCS	President Report for AR	CEO/EMCS	Audit Visit	EMCS
Rates Out	FO1	CEO Report for AR	CEO/EMCS	Rates overdue letters	FO1
Budget to DLGC	EMCS	Annual Invoices	FO1	Firebreak Inspections	CFO
R2R Quarterly Report	EMCS	Ex Gratia Rates	FO1	ABS Return	EMCS
CRC Quarterly Stats DRD	CRCM	R2R Annual Report	EMCS	Send Cat/Dog renewal	FO1/Admin
Accruals	EMCS	LEMC Meeting	CEO/FO1	CEO Performance Review	Council
Financial Return	CEO/CED	OSH Meeting	CEO/WM	Pensioner Claim to OSR	FO1
ESL Report to DFES	FO1			Ladies Long Lunch	CRC
Direct Grant	EMCS			Annual Report to DRD CRC	CRCM
RRG - first 40%	EMCS			Appoint Fire Control Officers	CFCO
Uniform Orders	EMCS/FO1			Rates Instalment Notices	FO1
Create Capital Works job #	EMCS				
October		November		December	
Review Delegation Register	CEO/EMCS	Archiving	Admin/FO1	Pool Sampling	PM
Fair Value RFQ's out	EMCS	Councillor Reimbursements	CED	Review Plant costs	EMCS
Aust Day Awards Ads	CED	Pool Sampling	PM	Aust Day Planning	CED
Bushfire Meeting	CFO	Council Meeting Dates	CEO	Code of Conduct Review	EMCS/CEO
Restricted Burning	CFO	Christmas Closure	EMCS	Street Party	CRC
Air Con Services	BM	Electors Meeting	CEO	Carpet Cleaning	BM
CRC Quarterly Stats DRD	CRCM	Bind Minutes	CED	Rates Instalment Notices	FO1
Adopt Annual Report	EMCS/CEO	Decide Christmas party dates	CEO/EMCS		
AR to DLGC	EMCS	Review Council Committee Reps	CEO		
CRC AR to DRD	CRCM	LEMC Metting	CEO/FO1		
Preseason Pool Insepction	PM	OSH Meeting	CEO/WM		
WALGA Report	EMCS				

#### **Other Projects - Not Annual**

Integrated Planning & Reporting  
*Strategic Community Plan Review*  
*Strategic Community Plan Review*  
 Strategic Resource Plan  
*Long Term Financial Plan*  
*Asset Management Plans*  
 Record Keeping Plan  
*Risk Management Review*  
 Local Laws Review  
 Elections  
 Financial Management Review  
 Workplace Plan  
 Asbestos Management Plan

#### **Review Cycle**

Full Review every 4 years  
 Desktop Review every 2 years  
  
 Full Review every 4 years  
 Full review every 4 years  
 ?  
 Every 2 years  
 Review every 5 years  
 October every 2 years  
 Every 4 years  
 Full Review every 3 years

#### **Next Due**

30/06/2022 Completed  
 30/06/2019  
  
 20/06/2022 Completed  
 20/06/2022 Completed  
 Completed  
 21/11/2020  
 On Hold  
 31/10/2019  
 20/06/2020  
 30/04/2019