

REGULATION 17 - October 2018

Review Objectives Assessment and Improvements

Category	Topic	Objectives	Assessment	Improvements	Action
4.2.1	Risk Management Policy	A Risk Management Policy is in place and	The Risk Management Policy adopted by Council in July 2017 covers	Review and update the Risk	#1
4.2.2	Risk Framework	The Shire's Risk and Opportunity	The Shire's Risk and Opportunity Management Framework is currently	Update, finalise and implement the	#2
4.2.3	Risk Management Process	A formal process for the identification,	A formal risk management process is yet to be fully implemented	Following update of the Shire's Risk	#3
4.3.1	Risk Monitoring	Risks are regularly monitored to ensure appropriate attention is given to risk mitigation activities.	There are currently no formal processes to formally review risks.	Routine monitoring of identified risks should be undertaken to ensure risks are reduced to an acceptable level.	#4
4.2.3	Risk Reporting	Formal risk reports are presented to the Audit (Finance & Risk) Committee and the Executive Leadership Team.	Risk Reports have not been provided to the Audit (Finance & Risk) Committee. Risk reporting requirements / procedures have also not been clearly stated in the Shire's Risk and Opportunity Management Framework.	Risk reporting requirements to the Audit (Finance & Risk) Committee should be included in the Risk Management Policy and Risk and Opportunity Management Framework.	#5
4.2.4	Council Policies	Council Policies exist and form the Shire's	Council Policies provide a framework for decision-making and support	To support good governance, suggest	#6
4.2.5	Code of Conduct Training	Formal Code of Conduct training is required for all new staff. Refresher Code of Conduct training is provided to re-enforce the Shire's expectations of ethical conduct by its staff.	The Shire has recently implemented formal training for selected staff to help ensure they understand their responsibilities under the Local Government Act. For example: • New staff undergo Code of Conduct training as part of their induction; and • Officer inductions include training on legislative requirements around ethics, integrity and potential disciplinary action for breaches. Refresher Code of Conduct training is not provided to existing staff.	Code of Conduct refresher training for all staff be conducted at least annually.	#7
4.2.6	Disaster Recovery Plan	A current Disaster Recovery Plan is in place and tested as required.	The Shire is in the process of developing a Disaster Recovery Plan.	• Finalise Disaster Recovery Plan; and • Test Disaster Recovery Plan at least once	#8
4.2.7	Business Continuity Plan	A Business Continuity Plan is in place and reviewed when significant changes to the systems and processes at the Shire occur.	The Shire is in the process of developing a Business Continuity Plan.	The Business Continuity Plan should be developed as planned. The Plan should identify and outline key business continuity risks, along with the risk mitigation strategies required to reduce risks to an acceptable level. Upon review and approval, the Plan should be communicated to relevant key stakeholders.	#9

4.3.2	Internal Audit	An Internal Audit Plan is in place with audit recommendations tracked for corrective action.	There is currently no Internal Audit Plan or audit program in place.	To provide the CEO with assurance of the effectiveness of the Shire's internal control framework, consideration be given to conducting routine independent planned reviews over key financial and operational controls. The review program can be performed by internal staff where they are not responsible for the area under review.	#10
4.3.3	Segregation of Duties – System Access	System user access privileges are reviewed to ensure access is authorised and granted on a 'needs basis'.	User access privileges in the IT system were reviewed as a one-off exercise in 2018. The review resulted in access privileges amended to align with job roles.	For good practice, undertake review at least annually.	#11
4.3.4	Work Procedures	Documented policies and procedures are	The Shire has documented procedures such as detailed checklists and		
4.3.5	Review of Financial	Supervisory and management controls are	Controls assessed during the walkthroughs of key financial processes		
4.3.6	Credit Card	Credit card expenses are approved and	The CEO's monthly credit card statements are approved by the Shire	The CEO's credit card expenses and	#12
4.3.7	Access to ABA files	ABA files should be restricted on a 'need to know' basis to prevent unauthorised changes to banking instructions.	ABA files are located in a folder accessible to a wide range of staff, including: <ul style="list-style-type: none"> • Finance Team; • Payroll Officer; • IT; and • External IT contractors. The risk exists that banking details can be changed directly in ABA files without detection.	Review the current access privileges and grant access only to those requiring it for their role. Implement controls to ensure bank account details loaded to the bank agree to supplier or employee records. Access to external contractors should be removed and an approval process be established to control folder access (as required).	#13
4.3.8	Purchase Controls	Purchase orders are approved prior to receipt and/or commitment to purchase goods and services. Contracts are in place for purchase of goods and/or services. Thresholds for purchasing outlined in the Purchasing Policy are complied with.	Interviews and walkthroughs of key purchasing controls indicated good processes are in place, ensuring staff compliance with Purchasing Policy and work instructions. Sample testing did not reveal any exceptions.		
4.4.1	Legislative Compliance -	Systems and processes in place to help	The Shire utilises several online systems to update staff on legislative		
4.4.2	Legislative Compliance	System and processes in place to help	No exceptions were noted in our review of the following Registers:		
4.4.3	Review and Submission of Reports	The Shire reviews and submits the required informing plans and budgets to the Department of Local Government, Sport and Cultural Industries by the required deadlines.	The following were reviewed and submitted on a timely basis (where required): <ul style="list-style-type: none"> • Adopted Annual Budget 2018-19; and • Annual Report 2016-17. 		

4.4.4	Operational Compliance	Systems and procedures are in place to comply with legislative requirements for a number of areas of operations covered by legislation other than the Local Government Act 1995. Detailed testing of compliance with other	Processes to support evidence of compliance by the Shire to various other legislative requirements were reviewed at a high level and found to be operating effectively with management oversight.		
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<i>Comment</i>	<i>Status</i>
While the Risk & Opportunity Management	Complete
The Shire's Risk and Opportunity Management	Complete
The risk management process has been	Completed
Strategic Risks are monitored regularly. Operational risks are monitored less frequently but on a priority basis as required.	Completed but process is ongoing
Both the Policy and the Framework have the obligation to report risks to the Audit (Finance and Risk) Committee.	Completed but process is ongoing
The Shire has a policy CP ICT 3260 Information	In Progress
Regulation changes have ensured that the Shire has had to create separate Codes of Conduct for Elected Members and Staff. A separate Code of Conduct has been created for the Elected Members and the Code of Conduct is currently under review for staff. This process for staff will include a process to agree organisational values to which staff will subscribe.	In Progress
Currently being actioned by the ICT services of the Shire	In Progress
The Business Continuity Plan was updated and tested during the Covid-19 lockdown where most staff worked remotely. The Plan has been amended to now reflect planning in case of a further outbreak that will require a lockdown of the community.	Completed but process is ongoing

The Shire does not consider that an Internal Audit function is necessary given the scale of the Shire operations and the available resources.	Completed
This review has been done by IT staff.	Completed but process is ongoing
No Action Required	
No Action Required	
The credit card of the CEO is authorised	Complete
The standard authorisation forms have been amended to accommodate the suggested changes. All practical suggested changes have been implemented.	Complete
No Action Required	
No Action Required	
No Action Required	
No Action Required	

No Action Required	
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