



MINUTES

Audit Committee

Meeting

12 December 2022

Shire of Victoria Plains
Council Chambers,
Calingiri AND
via E-Meeting Protocol

Commencing
1.10pm

DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon.

The decisions of the Committee are not considered final until the minutes of the Committee meeting are adopted by Council at a subsequent meeting or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification.

Please note that meetings may be recorded for minute taking purposes.

E – Disclaimer

It is the Presiding Member's responsibility to preserve order in the meeting and this can be more difficult in an eMeeting. Therefore, each Council Member must consistently and respectfully follow the Local Government's Meeting Procedures Local Law, any additional eMeeting guidance provided by the Local Government and support the Presiding Member in their conduct of the eMeeting.

The pace of an eMeeting should be slow and orderly. The following practices will help avoid confusion and support effective eMeetings:

Speak clearly and slowly, as connections may be distorted or delayed;

Always state your name to indicate to the Presiding Member that you wish to speak. Restate your name if the Presiding Member has not heard you at first;

In debate, only speak after the Presiding Member has acknowledged you. Then state your name, so that others know who is speaking;

Follow the Presiding Member's directions and rulings;

If you are unclear about what is happening in an eMeeting, immediately state your name to draw the Presiding Member's attention and enable you to then seek clarification from the Presiding Member;

Avoid looking for opportunities to call Points of Order; instead, politely and respectfully gain the Presiding Member's attention and explain any deviation from your Meeting Procedures, the Local Government Act or any other relevant matter.

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MINUTES

Shire of Victoria Plains Audit Committee Meeting

To be held in the Council Chambers and via E-meeting protocol, Cavell Street, Calingiri on Monday 12 December 2022, commencing at 1.10pm

1. DECLARATION OF OPENING

1.1 Opening

The Temporary Chief Executive Officer opened the meeting at 1.10pm, welcoming Audit Committee Members and staff. The Temporary CEO called for nominations for the role of Presiding Member, as the Shire President and Presiding Member of the Audit Committee is an apology for this meeting.

Cr S Woods nominated Cr N Clarke for the position, with no other nominations forthcoming; the temporary CEO declared Cr N Clarke the Presiding Member, who at that time assumed the role and Chair.

1.2 Announcements by Presiding Member

The meeting shall be run in accordance with the Shire's *Meeting Procedures Local Law 2018*, with 3 Elected Members present.

Members	Cr N Clarke – Presiding Member / Deputy Shire President (Committee member) Cr S Woods - (Committee member) Cr G O'Brien (Delegate Committee member)
Staff	Mr S Fletcher – Temporary Chief Executive Officer Mr C Ashe – Manager Finance & Administration Mrs J Klobas – Council Meeting Officer
Apologies	Cr P Bantock (Shire President)
Approved leave of absence	Nil
Members of the public	N/A
Visitors	Ms F Padia – OAG (via teleconference at 1.37pm, departing at 1.58pm) Mr C Manifis – OAG (via teleconference at 1.37pm, departing at 1.58pm) Mr R Bissett – OAG (via teleconference at 1.37pm, departing at 1.58pm) Mr T Bates – Shire Consultant Accountant (via teleconference at 1.37pm, departing at 1.58pm)

3. DISCLOSURES OF INTEREST

	Type	Item	Person / Details
3.1	Financial		Nil
3.2	Proximity		Nil
3.3	Impartiality		Nil

4. PUBLIC QUESTION TIME

Not required – Committee has no delegated authority

5. CONFIRMATION OF MINUTES**VOTING REQUIREMENTS**

Absolute Majority Required: No

2212-01	Officer Recommendation / Committee Recommendation
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Moved: Cr S Woods

Seconded: Cr G O'Brien

That the Minutes of the Audit Committee Meeting held 7 November 2022 as circulated, be **CONFIRMED** as a true and correct record, with amendment under attendance noting that Cr J Kelly attended as an 'Observer' on the 7th November via teleconference.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6. REPORTS REQUIRING DECISION**6.1 Nil**

This item was deferred at 1.07pm, until later in the meeting to allow for the Office of the Auditor General (OAG) attendees and others to attend by teleconference.

The Committee returned to this item at 1.37pm with Ms F Padia, Mr C Manifis, Mr R Bissett (OAG), and Mr T Bates, Shire Consultant Accountant joined the meeting via teleconference at 1.37pm, departing at 1.58pm.

6.2 Audited Financial Statements 2021-22 Exit Meeting

File reference	12.2.1
Report date	28 November 2022
Applicant/proponent	Audit Committee
Officer disclosure of interest	NIL
Previous meeting references	Audit Committee entry meeting 07 Nov 22
Prepared by	Colin Ashe, MFA
Senior Officer	CEO
Authorised by	CEO
Attachments	
Attachment 1	Page
	NIL

PURPOSE

This exit meeting is to brief the audit committee on the findings of the audit for 2021-22 financial statements and any matters listed in the management letter.

BACKGROUND

During the months of Oct and Nov 22 William Buck Chartered Accountants has conducted the audit of councils financial statements including acquittals of both Roads to Recovery and Local Roads and Community Infrastructure Program. This has occurred both remotely and a site visit 07-12 Nov 22.

The grant funding acquittals were approved by Office of the Auditor General (OAG) without qualification and sent to the applicable bodies and William Buck are now in a position to brief to undertake the exit meeting, briefing the audit committee on the outcome of the audit.

COMMENT

At the time of writing this agenda item both the audit and management report 2021-22 have not been provided but it has been advised the only issue raised that may be raised in the management report will be that of expenditure on legal fees with the intent that costs could have been managed better. This has been noted as a minor issue.

The caveat is that OAG is yet to provide comment and therefore, there may be further issues raised and further, staff are not in a position to pre-empt any further advice on findings.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

STATUTORY CONTEXT

Local Government Act 1995 Part 7.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT**Strategic Business Plan/Corporate Business Plan**

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

Strategic Priority 4.3 will be facilitated through the audit process of which this exit meeting will provide a true and fair view of councils finances and areas as applicable.

Delegation

N/A

Policy Implications

Section 3 – Financial Management

Other Corporate Document

N/A

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring any recommendations from the audit are implemented will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

NIL

VOTING REQUIREMENTS

Absolute majority required:

No

Officer Recommendation

That the Audit Committee **RECIEVE** the draft audit and management report and note the particular areas requiring attention as applicable.

2212-02	Officer Recommendation / Committee Recommendation
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Moved: Cr S Woods

Seconded: Cr G O'Brien

That this item be **DEFERRED** at 1.07pm until later in the meeting to allow the Office of the Auditor General to attend.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

2212-09	Officer Recommendation / Committee Resolution
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Moved: Cr S Woods

Seconded: Cr G O'Brien

That the Audit Committee **RECIEVE** the draft audit and management report and note the particular areas requiring attention as applicable.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

AUDIT PUBLIC MINUTES

6.3.1 Budget Review as at 31 October 2022

File reference	12.2.1
Report date	29 November 2022
Applicant/proponent	Audit Committee
Officer disclosure of interest	NIL
Previous meeting references	N/A
Prepared by	Colin Ashe, MFA
Senior Officer	CEO
Authorised by	CEO
Attachments	
Attachment 1	Page 2 Budget Amendments No. 1 – Oct 22

PURPOSE

To conduct the first budget review for 2022-23 based on October 22 financial statements for the Audit Committee approval.

BACKGROUND

Council approved the 2022-23 budget that included an ambitious but achievable capital works program, increased by \$6.94m (19.8%) from 2021-22, a Plant Replacement Program and significant additional operating expenditure. This resulted in a final budget deficit of (\$192,160) which the management team was confident significant savings could be made to have this reduced as the financial year progressed.

The first budget review has now been completed utilising Oct 22 data for the audit committee to review.

COMMENT

Noting the budget deficit the shire commenced with and new staff with little corporate knowledge, there has been a number of unforeseen areas of expenditure, some delays in progressing activities and the general state of the economy both state and nationally that has contributed to not making as much progress as the management team would have liked. This has included but not limited to:

- The former CEO payout
- Bushfire Infringement Income
- Computer /IT Costs
- Parts and Repairs
- Increased staffing levels

Despite the challenges, the budget review No.1 has provided a new forecast deficit of (93,563), reducing the original forecast by \$98,597 or 51%. The main sources responsible for this reduction includes:

- Increase in Grants Commission (FAGS) income - \$127,223
- Transfer from Reserves, Sewerage Scheme – Calingiri - \$7,765
- LRCIP Funding - \$19,223

- Legal Fees expense reduction - \$10,000
- Aglime Route land purchase duplication - \$32,500
- Works and Services employee cost offset - \$113,147
- Net Capital expenditure reduction - \$91,051

Management has taken the decision to defer the Prime Mover Float Refurbishment (\$30,000) to 23-24 as an offset to the increased Parts and Repairs cost. Should other savings be found not already identified this may be brought back into the budget 22/23.

Overall a conservative approach has been undertaken to this review as there is likely to be other cost overruns, particularly as Capital Infrastructure programs start to increase in tempo. However there is confidence there will be further reductions in expenditure in other Plant purchases that offset and contribute to achieving a close to balanced budget.

This will crystallise in Mar 23 when budget review No.2 is completed and revised forecasts reported on.

A final matter is to adjust budgetary amounts in the financial statements regarding Loan 83 Calingiri Football Club. The loan note 11 in the financial statements advise a budget amount of \$162,163 but the self supporting loan amount states \$161,161, the former being the correct figure. This has no impact on finances as the correct figure has been used in the rate setting statement but for clarity, it is recommended note 11 be amended.

CONSULTATION

Mr Sean Fletcher, A/Chief Executive Officer

STATUTORY CONTEXT

Local Government Act 1995 and associated regulations in particular;

Local Government (Financial Management) Regulations 1996; regulation 33A requires a budget review to be undertaken between 01 Jan and 31 Mar of its financial performance from 01 Jul to 31 Dec.

Whilst this review is not the formal requirement as above because of the timeframes, there is no restriction on early and more frequent reviews.

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP		
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance	
	We have sound financial management policies and attract external funding to help achieve our goals	
	Council is supported by a skilled team	

Strategic Priority 4.3 - Management considers budget reviews in addition to statutory requirements as good governance allowing early intervention to identify any significant issues.

Delegation

NIL

Policy Implications

Section 3 – Financial Management

Other Corporate Document

NIL

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Moderate (3) Short term non-compliance but with significant regulatory requirements imposed	Unlikely (2) The event could occur at some time	Moderate (6)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Ensuring frequent budget reviews in excess of statutory requirements will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

Amendments to the budget will provide better forecasting and therefore management of councils finances.

VOTING REQUIREMENTS

Absolute majority required: No

2212-03	Officer Recommendation/Committee Recommendation
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Moved: Cr S Woods**Seconded: Cr G O'Brien**

That the Audit Committee recommends that council **APPROVE**:

1. the budget review and endorses the budget amendments and set out in attachment 1; and
2. that note 11 (a) and (b) for Loan 83 Calingiri Football Club budget reflect \$162,163 as the budget amount.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.3.2 Internal Audits – Update re Financial Systems Review and Regulation 17 Review

File reference	
Report date	30 November 2022
Applicant/proponent	Audit Committee
Officer disclosure of interest	Nil
Previous meeting references	July ACM
Prepared by	Sean Fletcher, Temporary CEO
Authorised by	CEO
Attachments	
Attachment 1	Page Nil

PURPOSE

To update the Audit Committee on the status of the Financial Management Systems Review and the Regulation 17 Review.

BACKGROUND

At the March 2022 ACM, the Committee was advised that the Financial Management Systems Review and the Regulation 17 Review would be conducted between March and April 2022. The scope for the reviews was provided to the Audit Committee at this meeting. Due to matters regarding competing time and resources, the reviews were delayed further. The process regarding both reviews was amended as follows:

Key area	Target date	Person responsible
Audit Planning		
Send list of requirements for planning and site visit	15 June 2022	BSA
Planning information provided to BSA	24 June 2022	SOVP
Planning and Risk Assessment	30 June 2022	BSA
Sample Selections to SOVP	1 July 2022	BSA
Site visit	11 – 14 July 2022	BSA & SOVP
Completion of Field work	15 July 2022	BSA & SOVP
Review by Director	22 July 2022	BSA
Findings – discussions with management	29 July 2022	BSA & SOVP
Draft report provided to management for comment	5 August 2022	BSA
Responses provided by management	12 August 2022	SOVP
Report Finalised	19 August 2022	BSA
Report presented to Audit Committee by BSA	TBC	BSA

The reviews were conducted by Dry/Kirkness (Butler Settineri) on site: 11 July 2022 – 15 July 2022. The expectation at that time was that a report would be available at the end of August 2022. However, there have been annual audit impacts for Dry/Kirkness and several matters that the Shire needed to provide further information on, which has now been done. The report is now expected sometime in December 2022. The Please note the final report will be presented to the Audit Committee.

COMMENT

As per the background section to this report.

CONSULTATION

Management Group
Finance Coordinator
Dry/Kirkness (Butler Settineri)

STATUTORY CONTEXT

Local Government Audit Regulations – Regulation 17

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 not less than once in every 3 financial years.

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

Local Government Audit Regulations – Regulation 5(2)(c)

(2) The CEO is to:

- (a) ensure that the resources of the local government are effectively and efficiently managed; and
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Local Government Audit Regulation 14(3A)

Under section 14(3A) of the Regulations, the Audit Committee:

(3A) The local government's audit committee is to review the compliance audit return (CAR) and is to report to the council the results of that review.

CORPORATE CONTEXT

Strategic Community Plan and Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	We have sound financial management policies and attract external funding to help achieve our goals		
	Councilors attend training and feel supported in their role		
	Council is supported by a skilled team		

The Financial Management Systems Review and the Reg 17 Review are key internal audits, that have been conducted externally on this occasion.

Risk Management

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Compliance The Shire has struggled to undertake the FMS Review, the Reg17 Review and CAR within required timeframes.	Major(4) Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire/Officers	Likely (4) At least once in 3 years	High (16)	CEO, SMT, Audit Committee Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring The controls required are following the requirements of the LG Act, The Audit Regulations	Providing the Audit Committee assist the CEO in obtaining sufficient resources from Council to undertake the internal audits as required, the risk is reduced from High to Low.

FINANCIAL IMPLICATIONS

The cost of the FMR Review and the Regulation 17 Review is budgeted for re 2022/2023. The cost to undertake both reviews is \$16,000 (ex GST).

VOTING REQUIREMENTS

Absolute majority required: No

2212-04	Officer Recommendation / Committee Recommendation
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Moved: Cr S Woods

Seconded: Cr G O'Brien

That the Audit Committee **ACCEPTS** the report on the update regarding the:

1. Financial Management Systems Review; and
2. Regulation 17 Review.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.4 Implementation of Model Financial Statements and Transparency in Financial Reporting

File reference			12.2.1
Report date			24 November 2022
Applicant/proponent			Audit Committee
Officer disclosure of interest			NIL
Previous meeting references			N/A
Prepared by			Colin Ashe, MFA
Senior Officer			CEO
Authorised by			CEO
Attachments			
Attachment 1	Page	4	Financial Audit Results 2020-21

PURPOSE

To update the Audit Committee on the implementation of new Model Financial Statements for smaller (band 3 and 4) local governments.

BACKGROUND

Clear and accurate financial management and reporting is critical for public confidence in local government.

Currently, local governments across Western Australia have to comply with the same financial reporting requirements, even though local governments range from less than 200 residents to a population of more than 200,000 people. Through amendments to Local Government (Financial Management) Regulations 1996 this new reporting requirement will be implemented for the 2022-23 financial year.

COMMENT

The model financial statements will not be prescribed documents but have been developed in consultation with OAG to provide Local Governments with a template that addresses the annual financial statements information, complies with the Australian Accounting Standards and Local Government (Financial Management) Regulations 1996 for functions and activities normally undertaken by local governments in WA.

The regulation amendments are being drafted to establish a transparent link between the annual budget, monthly financial reporting, prescribed budget review and annual financial statements. This is consistent with the approach being recommended by the various Audit Offices responsible for local government audits in Australia.

The intent is to have, pending feedback, these regulatory changes gazetted by March/April 2023.

The full changes are provided in attachment 1 and to summarise what this will mean for the Shire of Victoria Plains;

Model Financial Statements -

- A reduction in the notes of the financial report – not significant

- Cosmetic changes to definitions noting this may make the reporting more meaningful.
- Some changes to areas like current assets where aspects have been removed but reported elsewhere, others such as financial reserves requiring more depth.
- A number of amendments to partially or fully remove financial statement notes as marked in attachment 1.

Annual Budget Amendments -

- A slightly more aggressive timeframe of 14 days to provide a copy of the annual budget noting unconfirmed minutes of such adoption are to be provided.

Budget Reviews –

- Timing of budget reviews reduced to February (as opposed to currently March) so it can be submitted to council before 31 March.
- Requires a rate setting statement
- Reduction of time for submission to 14 days from currently 30 days.

Monthly Financial Reporting –

- Cosmetic changes, primarily amending headings and titles of the current suite of reports.
- New requirement to compare financial position with prior year position each month.

Band 3 and 4 financial reporting amendments –

- unlikely to apply to the shire unless it changes band status.

Overall whilst there is some reduction in the requirements for model financial statements, the changes are mostly cosmetic, changes to where the information is reported, but still requiring reporting of and in some cases some additional requirements with a reduction in time allowed (albeit using unconfirmed minutes).

Unfortunately due to the timing on the issue of these changes and request for comment, the Shire of Victoria Plains did not make a submission.

CONSULTATION

Mr Sean Fletcher, A/Chief Executive Officer

STATUTORY CONTEXT

Local Government Act 1995 and associated regulations

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	We have sound financial management policies and attract external funding to help achieve our goals		
	Council is supported by a skilled team		

Strategic Priority 4.3 will see no change in delivery of compliance with these changes to Model Financial Statements.

Delegation

NIL

Policy Implications

Section 3 – Financial Management

Other Corporate Document

NIL

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring compliance checks and internal controls with engagement of financial support will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

NIL

VOTING REQUIREMENTS

Absolute majority required: No

2212-05 Officer Recommendation/Committee Recommendation

Moved: Cr S Woods

Seconded: Cr G O'Brien

That the Audit Committee **RECIEVE** the proposed changes to the Model Financial Statements, budget review and amendments and monthly financial reporting.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.5.1 Business Continuity Plan (BCP)

File reference	13.5.6
Report date	23 November 2022
Applicant/proponent	Audit Committee
Officer disclosure of interest	NIL
Previous meeting references	Item 6.5 Audit Committee Aug 2022 – Resolution 2208-06
Prepared by	Colin Ashe, MFA
Senior Officer	CEO
Authorised by	CEO
Attachments	
Attachment 1	Page 8 Business Continuity Plan

PURPOSE

That the Audit Committee is presented with updated Business Continuity Plan (BCP) for the Shire of Victoria Plains as per resolution 2208-06 and with a view for endorsement and subsequent approval by council.

BACKGROUND

On 31 July 2019 Council adopted the BCP in response to compliance and control reviews, and Better Practice Review through DLGSC. COVID-19 revealed the inadequacies of the BCP in dealing with state or nationwide emergencies and in was noted in August 22 Audit Committee that the BCP was long overdue for a review.

As part of Risk Management, the Audit Committee resolved that it:

‘UNDERTAKES a review of the Shire’s Business Continuity Plan in August 2022 with a view to submit a revised plan to Council by the end of November 2022’.

COMMENT

The BCP review has now been completed with extensive stakeholder consultation internally with Management Team (Works and Services, Building Services, Administration), CESM and CSO and Department of Communities resulting in significant changes to the original version adopted in 2019.

The introduction on page 4 of the BCP notes that:

Business Continuity Management (BCM) is not Emergency Management (LEMA) or Disaster Recovery (DR). Whilst closely related, BCM is concerned with articulating the Essential Functions which must continue to operate in the wake of an event that may have required the implementation of EM procedures, whilst DR are the steps required to activate the essential activities identified in the BCM.

Other features of the revised BCP includes:

- Phases of Operation and activation process
- Alternate sites including working from home which was highlighted as a deficiency of the previous version.
- Communication.
- Crisis Response Team.
- Phase Checklists.
- Essential Tasks.
- Immediate Response and Recovery Checklists.

The BCP is not intended to be a stand-alone document, but used and where necessary complimenting other documents such as the LEMA, Local Emergency Welfare Plan, Evacuation Centre process etc.

The next step if endorsed by the Audit Committee and Council is to undertake testing and various evacuation drills to fine tune the document, process and on-hand materials that are required.

CONSULTATION

Mr Sean Fletcher, A/Chief Executive Officer
Mr Nicholas Parry, CESM
Mr Jason Cacic, CSO
Mr Silvio Brenzi, WSM
Mr Peter Edward, former PBS
Mrs Jo Reimers, Department of Communities

STATUTORY CONTEXT

NIL

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
1. COMMUNITY			
1.4 Support emergency services planning, risk mitigation, response and recovery	We collaboratively plan service delivery and respond to emergency situations (LEMC)		
	Emergency service volunteers are supported and the community understands how to respond to emergencies / natural disasters		

Strategic Priority 1.4 will be implemented and complemented through a full understanding and testing of the BCP.

Delegation

Various Delegations may be applicable including but not limited to:

Section 3 – Financial Management
Section 5 - Fire Control
Section 13 – Works and Services

Policy Implications

Section 3 – Financial Management
Section 4 – Order/Public Safety

Other Corporate Document

NIL

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Property	Major (4) Significant damage requiring internal & external resources to rectify.	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Testing and adherence to the BCP including preparation by shire staff ensure that the residual risk is moderate.

FINANCIAL IMPLICATIONS

NIL

VOTING REQUIREMENTS

Absolute majority required: No

2212-06	Officer Recommendation / Committee Recommendation
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Moved: Cr S Woods**Seconded: Cr G O'Brien**

That the Audit Committee:

1. **ENDORSE** the Shire of Victoria Plains Business Continuity Plan (BCP) 2022-23.
2. **RECOMMEND** that Council **ADOPTS** the revised Business Continuity Plan (BCP) 2022-23 as set out in attachment 1.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.5.2 Risk Management - Audit Report on Cyber Security Issues

File reference			12.2.1
Report date			24 November 2022
Applicant/proponent			Audit Committee
Officer disclosure of interest			NIL
Previous meeting references			N/A
Prepared by			Colin Ashe, MFA
Senior Officer			CEO
Authorised by			CEO
Attachments			
Attachment 1	Page	36	OAG - Information Systems Audit Report 2022
Attachment 2	Page	64	LGIS Cyber Review 2020-21 for Shire of Victoria Plains

PURPOSE

To update the Audit Committee on broad cyber security issues, how this applies to the shire and its current status of compliance and potential vulnerabilities.

BACKGROUND

In June 22 the Auditor General tabled the Information Systems Audit Report 2022 – Local Government Entities which assessed 45 local governments. It highlighted how weak controls can potentially result in system breaches, loss of sensitive and confidential information, and financial loss. Six (6) key areas were raised:

1. Entities did not implement and continuously monitor appropriate policies and procedures to ensure the security of information systems that support their entity business objectives.
2. Entities did not have appropriate business continuity, disaster recovery and incident response plans to protect critical systems from disruptive events.
3. Entities did not have sufficient understanding of their information assets and documentation to demonstrate IT risks are identified, assessed and treated within appropriate timeframes.
4. Entities did not implement policies and procedures to guide key areas of IT operations such as incident management and supplier performance monitoring.
5. Entities did not document or approve change control documentation when making changes to IT systems.
6. Entities did not have or implement adequate physical and environmental control mechanisms to prevent unauthorised access, or accidental or environmental damage to IT infrastructure and systems.

The extent of the matters identified in the report suggested all local governments needed to review their processes, policies and guidelines against these key areas.

Interestingly a report provided by LGIS specifically assessing the shire raised similar concerns but upon some initial discussion with councils IT Support, Wallis Computer Solutions (WCS), found that it wasn't necessarily completely accurate.

COMMENT

In terms of the recommendations in the report and applying that to the Shire of Victoria Plains:

1. Information Security:

- a. Section 2.3 of council policy manual addresses ICT usage and 2.4 addresses social media.
 - b. Anything system and software related is monitored and completed by WCS including administrator privileges. Some areas could be improved including passwords, MFA and unauthorised devices noting there is some aspects of this and WCS has identified the improvements.
2. Business Continuity:
- The shire has a current and reviewed BCP.
3. Management of IT Risks:
- a. Management understands its IT assets, primarily the server and back ups are undertaken routinely.
 - b. IT risks could be strengthened though there is a reasonable understanding of cyber security risks particularly in major financial aspects such as banking log on etc. Staff and councillors have almost commenced training for education and risk reduction.
4. IT Operations:
- Incident management is covered in BCP and supplier monitoring is viewed as not applicable in a shire this size, though there could be a case to seek assurances and audit certification of WCS given their impact on shire business.
5. Change control:
- Is undertaken through WCS in a robust process requiring approvals and through a registered portal to comply with audit requirements.
6. Physical security:
- The critical asset for shire IT is the server and WCS security. The server is in a locked room within the shire office and the shire as per point 5, could seek assurances from WCS periodically of their compliance with applicable standards.

Noting the LGIS cyber report is specific to the Shire of Victoria Plains, providing the same data set as above, but in more detail, WCS has committed to reviewing this document in detail with the intent of reporting back to management on aspects that meet compliance, and others that need addressing.

Other initiatives commenced or planned include:

1. The roll out of Security Awareness Training to all staff and councillors, comprising some 40 modules and which will be on-going.
2. Engagement with Silverfern IT, a WALGA supplier. Recently this included completing a questionnaire of over 200 questions of the shire's IT activities which will culminate in a report of areas that need improving.
3. Multifactor Authentication (MFA) Enforcement – investigation where all accounts for Shire of Victoria Plains are required to have MFA implemented as a standard. This is for both staff and elected members to access their Office 365 account. MFA reduces risk of account compromise by 99% and needs to be enforced by default for all users, further addressing deficiencies already highlighted.

CONSULTATION

Mr Sean Fletcher, A/Chief Executive Officer
Mr Nathanael Wallis, WCS

STATUTORY CONTEXT

NIL

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

Strategic Priority 4.3 will be achieved by regular training and support through the shires IT partner.

Delegation

NIL

Policy Implications

Section 2.3 – ICT Usage

Section 2.4 – Communications and Social Media

Other Corporate Document

NIL

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Interruption to Service	Moderate (3) Medium term temporary interruption – backlog cleared by additional resources < 1 week	Possible (3) The event should occur at some time	Moderate (9)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Continuous training, vigilance and support from the shires IT Partner will ensure that the residual risk is moderate.

FINANCIAL IMPLICATIONS

Council may need to invest more heavily in IT systems across the board in order to maintain up to date software and ensure continued cyber resilience.

VOTING REQUIREMENTS

Absolute majority required: No

Officer Recommendation

That the Audit Committee supports the tabling of WCS assessment and recommendations to improve the shires cyber resilience and reduce its vulnerabilities to cyber attacks that will include:

1. addressing high risk areas no later than 28 February 2023; and
2. present a plan to council for continuous security deployment for the Shire on an ongoing basis

2212-07 Committee Recommendation**Moved: Cr S Woods****Seconded: Cr G O'Brien**

That the Audit Committee **SUPPORTS** the tabling of Wallis Computer Solutions assessment and recommendations to improve the Shires' cyber resilience and reduce its vulnerabilities to cyber attacks that will include:

1. addressing high risk areas no later than 28 February 2023; and
2. present a plan to council for continuous security deployment for the Shire on an ongoing basis.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE**Reason for Variation**

To amend the acronym WCS to the organisation name being Wallis Computer Solutions.

AUDIT PUBLIC MINUTES

6.5.3 Risk Management Issues – Quarterly Update

File reference	
Report date	29 November 2022
Applicant/proponent	Temporary CEO
Officer disclosure of interest	Nil
Previous meeting references	April ACM 202
Prepared by	Sean Fletcher, Temporary CEO
Authorised by	CEO
Attachments	
Attachment 1	Page

PURPOSE

That the Audit Committee accepts the update regarding risk management issues and to undertake a review of the Business Continuity Plan during August 2022..

BACKGROUND

The CEO is to report to the Audit Committee on a quarterly basis regarding the Shire's Risk Management Procedures. This includes the Risk Dashboard and progress against

March 2021

At the March 2021 ACM, the Audit Committee resolved, in part, the following:

That the Audit Committee advises the CEO the following:

2. Acknowledges that the Shire has commenced to address a key risk area regarding workplace safety and security.
3. The risk management dashboard and profiles software will need to be obtained from LGIS and it is suggested that:
 - a. A suitable staff resource (Risk Framework Owner) is allocated to this task; and
 - b. That establishment of a current risk dashboard and risk profiles are resolved with the Risk Coordinator by 30 April 2021.

August 2021

Council adopted the Occupational Safety and Health policy on 26 May 2021.

The risk management dashboard and profiles have been located. They now need further updating by an appropriate staff resource.

8 December 2021

LGIS advised on 8 December 2021 that since it is three years since the risk management procedures were implemented, they are now due for review. The Risk Dashboard will then be updated and reported against from there. The expected cost was \$3,500. This was planned for the Budget Review, but did not happen.

July 2022

The Audit Committee was advised that the allocation to allow the review of the Shire's risk procedures was put in the 2022/2023 Budget. As a result, the review was conducted by LGIS with key staff on

November 2022

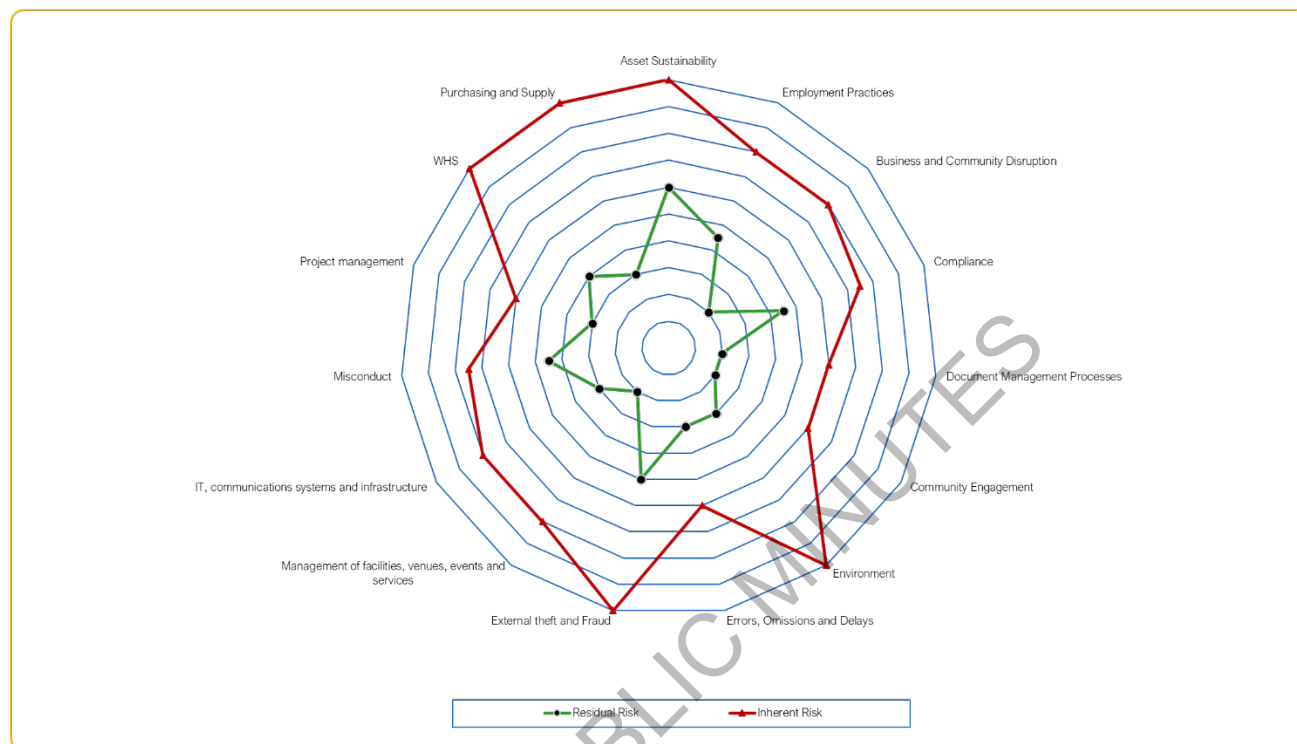
The Public Sector Commission has advised that it has released a new guide called Development of Detection Systems for Misconduct and Corruption in the Workplace. Misconduct and corruption is a key risk for any local government. I will be attending the webinar regarding this requirement on 9

December 2022.

COMMENT

Updating of Shire's Risk Profile and Procedures

On the 20 September 2022 key staff undertook a workshop to update the Shire's risk dashboard and underpinning risk profiles and procedures. As a result, the Shire's risk status is encapsulated within the following web diagram.



In essence for each risk profile, the greater the distance between the green line (residual risk) and the inherent risk (red line), the greater the concern. The author confirmed with Ben Galvin from LGIS on 15 November 2022 that the Shire is now in a position to finalise changes to the risk policy and finalise the new risk framework.

The CEO has now taken direct control of the risk management process and will be working with the management team to start closing out the actions required for each risk profile. A copy of the risk dashboard will be provided at today's meeting.

Business Continuity Plan

The Manager Finance and Administration has prepared a report on this matter in today's agenda. See Item 6.5.1.

Confidential Matters from ACM 11 April 2022

The author will give an update to the committee on the following items from the April ACM:

- 6.5.1 Update on Investigation into Gravel Compensation Matters - Confidential
- 6.5.2 Works Outstanding Accounts - Confidential

CONSULTATION

Management Team
Council Briefing Session 17 October 2022

STATUTORY CONTEXT

Nil

CORPORATE CONTEXT
Strategic Community Plan and Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

Risk management is a key principle regarding the inherent (possibility of) risks that organisations face. For the Shire the updating of the risk dashboard, profiles and procedures are key to a proactive and well governed Shire.

Risk Management

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Compliance	Insignificant (1)	Likely (4)	Low (4)	Operational Manager	Audit Committee continues to receive updates
Information only	No noticeable regulatory or statutory impact	At least once per year			

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute majority required: No

2212-08	Officer Recommendation / Committee Recommendation
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Moved: Cr G O'Brien

Seconded: Cr S Woods

That the Audit Committee:

1. **ACCEPTS** the quarterly update regarding the Shire's Risk Management, noting that the CEO has:
 - a. has developed the new risk profiles to help manage the inherent risks; and
 - b. is reviewing the need for a detection system regarding corruption and misconduct system for the Shire.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

The Committee returned to deferred item 6.2 of this Agenda at 1.35pm.

6.6 Identification of Local Government Financial Audit Issues 2020-21

File reference			12.2.1
Report date			24 November 2022
Applicant/proponent			Audit Committee
Officer disclosure of interest			NIL
Previous meeting references			N/A
Prepared by			Colin Ashe, MFA
Senior Officer			CEO
Authorised by			CEO
Attachments			
Attachment 1	Page	96	Financial Audit Results 2020-21

PURPOSE

To update the Audit Committee on findings from the Attorney General audit of local governments for 2020-21.

BACKGROUND

In Sep 22 the DLGSC through its newsletter advised the Auditor General had tabled the Financial Audit Results — Local Government 2020-21 and urged all local governments to review the recommendations and where applicable ensure they are implemented in a timely fashion. It specifically noted that local governments should be:

7. periodically reviewing and updating all financial, asset, human resources, governance, information systems and other management policies and procedures and communicating these to staff.
8. conducting ongoing reviews and improvement of internal control systems in response to regular risk assessments.
9. regularly monitoring compliance with relevant legislation.
10. promptly addressing control weaknesses brought to their attention by audit and other audit and review mechanisms.
11. ensuring, they consider new and revised accounting standards for their impact on financial operations to prepare a compliant financial report at year end.

COMMENT

The Shire of Victoria Plains was not named directly in the OAG report annexes but its management letter for 2020-21 did have three (3) findings in what could be classed as internal or management controls. This included revenue being recognised incorrectly and some procurement practices not complying with council policy.

It is believed that both have been addressed in the current 2021-22 audit and it is expected the management report will only contain one item relating to excessive legal costs.

Nevertheless, as part of continuous improvement some significant gains have been made in the previous and particularly current financial year where all recommendations above are regularly being reviewed and implemented. Some examples include the new agenda template requiring risk assessments, a review of the shires risk profile and monitoring of new financial statement requirements.

As part of the OAG recommendations to DLGSC, it has also commenced an initiative strengthen the local government sector through regular advice, the promotion of best practice and innovation, and the fostering of a culture of continuous improvement. Key areas of focus include:

7. financial management
8. payroll and HR
9. expenditure
10. procurement
11. rates
12. fixed assets
13. fraud management
14. general computer controls.

CONSULTATION

Mr Sean Fletcher, A/Chief Executive Officer

STATUTORY CONTEXT

Local Government Act 1995 and associated regulations

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	Council is supported by a skilled team		

Strategic Priority 4.3 is continuously being achieved through regular and improved governance practices.

Delegation

NIL

Policy Implications

Section 3 – Financial Management

Other Corporate Document

NIL

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring compliance checks and internal controls with engagement of financial support will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

NIL

VOTING REQUIREMENTS

Absolute majority required: No

2212-09	Officer Recommendation / Committee Recommendation
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Moved: Cr G O'Brien**Seconded: Cr S Woods**

That the Audit Committee **RECIEVES** the Financial Audit Results — Local Government 2020-21 from the Auditor General.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.7 Matters of Compliance

File reference	
Report date	30 November 2022
Applicant/proponent	Temporary CEO
Officer disclosure of interest	Nil
Previous meeting references	ACM 11 July 2022
Prepared by	Sean Fletcher, Temporary CEO
Authorised by	CEO
Attachments	
Attachment 1	Page Nil

PURPOSE

That the Audit Committee accepts the update regarding the Shire's compliance calendar for the June 2022 Quarter.

BACKGROUND

The Compliance Calendar is reset each year and updated to reflect the matters of compliance for the year.

At the Audit Committee Meeting on 23 March 2022, the Committee was provided information on the compliance challenges faced by the CEO and the staff in general.

COMMENT

	Actions Required	Actions Ongoing	Actions Not Required	Actions Closed Out	Completion Rate % (Excludes ANR)	Comments including matters ongoing
March Quarter Total	29	15	8	14	48	The low level of completions was due to: <ul style="list-style-type: none"> • The CAR going to Council in April 2022; • The FMS Review and the Reg17 Review pushed back to 11/07 – 15/07/22; • The Building Services Levy not reconciled; • The EM attendance not updated; • The review of authorisations being completed in June.
June Quarter Total	50	14	13	23	64	With the further closing out of compliance actions for the March Quarter, the overall completion rate for the first six months was 72%,
September Quarter Total	64	15	15	34	69	The majority of actions not required are local re the government election requirements, which are only applicable in an election year.

						Other ongoing actions include the review of the policy manual, the customer complaints review matters regarding CBP reporting and actions re the FMS and Reg 17 Reviews. The overall completion rate sits at 71%
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Table 1 – Summary of Compliance Calendar Actions March - September Quarters

	Actions Required	Actions Ongoing	Actions Not Required	Actions Closed Out	Completion Rate % (Excludes ANR)	Comments including matters ongoing
October Total	29	5	18	6	54	The majority of actions not required are local government election requirements for an election year. Actions ongoing include the FMS and Reg 17 Reviews (waiting on report) and the waste water report
November Total	14	3	0	11	78	Matters continuing are the compilation of the annual report, enrolment eligibility claims and the public health plan

Table 2 – Summary of Compliance Calendar Actions October and November 2022

During November 2022, the CEO experimented with using Monday.com to track compliance calendar actions for that month. The end result has seen a much easier system for staff to manage and report regarding their respective compliance actions.

There are eight items for review during December, with all but one item expected to be completed (adoption of the annual report). Part of this is the review of the compliance calendar and the actions for 2023. As part of this process, the CEO will be the rolling out of the compliance calendar for 2023 using Monday.com from January onwards. Also, there will be further streamlining re some actions so that they are not multiple actions occurring in subsequent months.

In terms of compliance actions going forward into 2023, these are expected to be the DAIP, the Public Health Plan, the Local Heritage Survey, food premise inspections, the FMS and Reg 17 Review report and matters regarding the annual report. This should see the Shire's completion rate regarding the compliance calendar finish at 90%.

Other Matters

The other matters are those items that typically occur over a much longer cycle:

Compliance Category	Actions Required	Actions Closed Out/Not Required	Comments
Actions to be Allocated	5	5	Waste Management <ul style="list-style-type: none"> Waste Water Audits –exemption continued Review of Shire's Waste Water Customer Service Charter – December 2022 Development of Strategic Waste Plans –

			working group formed Transport Licensing Matters (Actions suspended) <ul style="list-style-type: none"> Audit to be scheduled by DoT Monthly return
Integrated Planning	11	4	Matters regarding the new SCP, CBP, WFP, LTFFP and AMP have continued to be actioned through the second half of 2022. Adoption of SCP on-track
Internal Audits	19	16	March - 3 internal audits completed April – 4 internal audits completed May – 2 Internal audits completed July – 2 Internal audits completed August – 5 Internal Audits completed Print out of internal audit summary will be provided at the December ACM
Annual Report – Includes Annual Audit	22	0	With the adoption of the Annual Report, this compliance activity will be completed. Annuals and Auditor's opinion uploaded 31 March 2022

Regulation 17 Review

The compliance calendar provided satisfactory evidence during the Reg 17 Review conducted on 11-17 July 2022 regarding tracking and managing the budget process and other key compliance matters.

CONSULTATION

MFA

PA to CEO

STATUTORY CONTEXT**Audit Regulations – Regulation 17**

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 not less than once in every 3 financial years.

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

CORPORATE CONTEXT**Strategic Community Plan and Corporate Business Plan**

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	We have sound financial management policies and attract external funding to help achieve our goals		
	Councilors attend training and feel supported in their role		
	Council is supported by a skilled team		

The Audit Committee has a key role to play in assisting Council and the CEO regarding the effectiveness of the Shire's controls regarding compliance through the compliance calendar.

Risk Management

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Compliance Managing compliance is a key pillar regarding the function of the Shire	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Likely (4) At least once per year	High (16)	Currently, the risk is acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring as follows: Staff review monthly, Audit Committee advised quarterly. Is also a CEO KPI	CEO (officers) & Council and Audit Committee advised monthly, quarterly, annually will ensure risk is reduced from high to low

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute majority required: No

2212-10	Officer Recommendation / Committee Recommendation
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Moved: Cr G O'Brien

Seconded: Cr S Woods

That the Audit Committee **ACCEPTS** the update regarding the Shire's compliance calendar.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.8 Integrated Planning and Reporting

File reference	
Report date	29 November 2022
Applicant/proponent	CEO
Officer disclosure of interest	Nil
Previous meeting references	
Prepared by	Sean Fletcher, Temporary CEO
Authorised by	CEO
Attachments	
Attachment 1	Page 164 Interim Action Plan Update - November

PURPOSE

That the Audit Committee accepts the update regarding Integrated Planning and Reporting.

BACKGROUND

To meet the requirements of Integrated Planning and Reporting, the Shire has the following plans in place:

Plan Type	Date Adopted	Due	Comment
Strategic Community Plan (SCP)		Next plan due June 2026	<ul style="list-style-type: none"> Adopted 3 August 2022
Corporate Business Plan (CBP)	TBA	Next Plan due August 2023	90% Completed: <ul style="list-style-type: none"> Actions completed LOS completed Waiting on LTFP and AMP Links
Long Term Financial Plan	TBA	Next Plan due August 2023	<ul style="list-style-type: none"> Expect draft early Dec 2022 Modelling to be reviewed
Asset Management Plan	AMP	Next Plan due August 2023	<ul style="list-style-type: none"> Draft completed
Work Force Plan (WFP)	12 August 2019	Next Plan due August 2023	<ul style="list-style-type: none"> Managers surveyed President and CEO surveyed Staff surveys underway
ICT Plan	New	2022	Wallis Computing is currently drafting new plan

Annual Review of Corporate Business Plan (CBP)

N/A

CBP Quarterly Dashboard

The SCP was adopted by Council on 3 August 2022. Since this time, drafts of the informing strategies have been underway i.e. CBP, LTFP, AMP, WFP and the IT Plan.

The CBP is waiting on the completion of the draft LTFP. The AMP has been completed. The management team has reviewed the actions applicable to the CBP and the levels of service. The author is now waiting on the final draft of the CBP so that it can then be presented to Council for endorsement.

As it is now three months since the inception of the SCP, the author felt that it was appropriate to update the Audit Committee and Council using the draft CBP.

COMMENT

Attached for information is the Interim Action Plan Update (Attachment 1). In particular, it should be noted that each action is set out as follows:

1. COMMUNITY				
STRATEGY	ACTION	Who	22/23	Comment
1.1 Healthy, connected and safe communities	a. Achieve strategies in the Disability Access Inclusion Plan	EHO	See 2.3d	EHO and Caroline Robinson have developed draft
	b. Seniors - Activities?	CDO	850	<ul style="list-style-type: none"> Seniors lunch held 6 November Christmas in July next event Old Road Board building hub Feb 2023
	c. Achieve strategies in the Aged Friendly Community Plan	CDO	0	Plan to commence 2024/2025
	d. Annual footpath maintenance, upgrade and extension	MWS	40,000	Six projects identified. Site visit conducted November
	e. Achieve strategies in the Public Health Plan	EHO	5,000	EHO and Caroline Robinson have developed draft
	f. MoUs with local community organisations implemented	CDO	5,000	All MOUs drafted. Now finalizing with each group

Under each priority (Community, Economy, Environment and Civic Leadership) is a strategy column. Each strategy consists of a number of actions developed by the management team. Each action is allocated to a shire role. The applicable budget is either listed in the 22/23 column or it may include a sub action. This column is also traffic lighted:

Red = 0-49% completed
 Orange = 50 – 69% completed (also known as the monitoring phase)
 Green = 70 – 100% completed or on-track
 Blue = An action to be undertaken in 23/24, 24/25 and/or 25/26.

The comment column gives further information on the progress of the action.

The assessment of the actions undertaken to date, the following is evident for each priority:

Community: Good progress has been made against the majority of actions. Three actions are on track with one action in the monitoring phase. The remainder of the items are red due to timing i.e. it is only one quarter of the way through the 12 cycle i.e. 25%.

Economy: Good progress has been made regarding Action 2.2c – plant purchases and Action 2.3d re the new Bolgart Caravan Park ablution block. It should be noted that 40% of actions in this priority area (blue) get underway in a subsequent out year. The majority of the red actions are red due to timing i.e. it is only one quarter of the way through the 12 cycle i.e. 25%.

Environment: The majority of items in this area are designated red i.e. are red due to timing i.e. it is

only one quarter of the way through the 12 cycle i.e. 25%. However, this priority contains a number of key actions where key progress has been made including seeking key grant funding for water matters (Action 3.1e) and vegetation control (Action 3.2b).

Civic Leadership: Good progress in this priority has been made in the first quarter. Key progress has been made re the integrated plans (SCP, CBP, LTFP, AMP and WFP). The remaining items have been progressed at a good level and reflect the support that Council needs to make good decisions.

The second quarter (November to January) may be impacted by the Christmas and New Year period. However, it is expected that at the halfway mark, many of the red flag items will comfortably transition to an orange flag i.e. the monitoring phase.

CONSULTATION

Council at briefing session.

STATUTORY CONTEXT

Local Government (Administration) Regulations 1996

19DA. Corporate business plans, requirements for (Act s. 5.56)

(4) A local government is to review the current corporate business plan for its district every year.

Integrated Planning and Reporting – Framework and Guidelines

Apart from the Annual Report providing progress towards the achievement of the four-yearly Shire priorities as established through the Corporate Business Plan (Intermediate Standard), the Departmental IPR Guidelines require that as a minimum, a quarterly review is conducted on the status of the CBP for each year.

Audit Regulations – Regulation 17

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 not less than once in every 3 financial years.

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

CORPORATE CONTEXT

Strategic Community Plan and Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.1 Forward planning and implementation of plans to achieve community priorities		Performance against targets are regularly reported to the community	
		We attend meetings of key local and regional organisations to jointly plan for our community	

	Demonstrated progress towards achievement of the Corporate Business Plan
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The interim CBP Action Plan demonstrates clearly that the Shire is firmly heading in the right direction regarding Action 4.1

Risk Management

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Reputation and Compliance Not adhering to the Corporate Business Plan and hence the Strategic Community Plan	Major (4) Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Unlikely (2) The event could occur at some time - -10 years	Moderate (8)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring Adequate: The Shire continues to ensure that the CBP Quarterly Review is available publicly through a report to Council each quarter.	CEO to ensure all staff undertake and follow CBP. Elected Members have undertaken further training in IPR requirements. The above will, ensure that the appropriate manager can assess the risk and correct it accordingly through quarterly reporting. This will ensure that the risk is low

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute majority required: No

2212-11	Officer Recommendation / Committee Recommendation
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Moved: Cr G O'Brien

Seconded: Cr S Woods

That the Audit Committee **ACCEPTS** the update regarding Integrated Planning and Reporting and **REFERS** this to Council accordingly.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

6.9 Elected Member Training and Continuing Professional Development Policy

File reference	
Report date	5 December 2022
Applicant/proponent	Audit Committee
Officer disclosure of interest	Nil
Previous meeting references	18 July 2022
Prepared by	Julie Klobas, Council Meeting Officer
Authorised by	TCEO
Attachments	
Attachment 1	Page 184 Training Matrix

PURPOSE

That the Audit Committee receives the updated Elected Member Training Matrix for its records.

BACKGROUND

To meet the requirements of Elected Member Training, as per attached, the following training has been undertaken.

All units, by all Elected Members, bar one unit for one Elected Member, have been completed, with an extension date of that training session granted until 11/12/2022.

COMMENT

All Elected Members have received an upgraded IPAD (IOS14), to accommodate the WALGA Training Platform which the E Modules are provided on, together with IT Support.

Continuing Professional Development (CPD)

What is this new CPD requirement?

- Each council is now required to prepare and adopt a policy covering the continuing professional development of its council members.
- Completed, as noted in the Shire's policy which is published on the local government's website.

Council, as per its resolution of 2209-17, resolved:

*"The CEO Performance Review Committee, being all Elected Members, and prior to the next CEO Performance Review Process being undertaken, Elected Members collectively **UNDERTAKE** relevant training, either face to face or via E Meeting training, for the Shire's CEO Performance Review process, through WALGA or some other suitable agency."*

What should be considered by the council when developing the policy?

- The content of the policy will be determined by the council.
- It should include developmental opportunities for each councillor and a statement of the extent of payment by the local government.
- In deciding the content of the policy, council should consider:
 - the strategic direction of the local government,
 - skills gaps among the council as a whole, and
 - the needs of individual councillors.

CONSULTATION

Council at July 2022 briefing session and September 2022 CEO Performance Review Committee.

CORPORATE CONTEXT**Strategic Community Plan and Corporate Business Plan**

Local governments are required to report annually on who has completed training and publish this on the local government's website. The report will list each council member and the training each has completed in that financial year. This will include both the Council Members Essentials course where applicable and continuing professional development in line with the local government's policy.

Most council members value increasing their skills and knowledge in relation to this important role they undertake.

FINANCIAL IMPLICATIONS

All E units are currently paid for at a cost of \$214.50 per E Module.

VOTING REQUIREMENTS

Absolute majority required: No

2212-12	Officer Recommendation / Committee Recommendation
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Moved: Cr S Woods

Seconded: Cr G O'Brien

That the Audit Committee **ACCEPTS** the updated Elected Training Matrix for uploading to the Website in due course.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

7. MEETING CLOSED TO PUBLIC

Matters for which the meeting may be closed in accordance with the Local Government Act 1995 s.5.23(2).

Nil

Public reading of resolutions made during a closed meeting.

8. CLOSURE OF MEETING

There being no further business, the presiding member declared the meeting closed at 2.15pm.

CERTIFICATION

These minutes were confirmed at the Audit Committee Meeting held on 13th Feb 2023

Signed 
(Presiding member at the meeting which confirmed the minutes)

Date 13th Feb 2023

Committee –

- Minutes are unconfirmed until adopted at the following meeting of Committee
- Committee decisions may be authorised by Council, or by CEO authority