

LATE ITEM AGENDA

ORDINARY COUNCIL MEETING

Thursday 25 July 2019

7 Thomas Street, Halls Creek PO Box 21, Halls Creek WA 6770

P (08) 9168 6007 F (08) 9168 6235

E hcshire@hcshire.wa.gov.au

11. Late Item – Audit Committee Minutes for meeting held 9 July 2019

PROCEDURAL MOTION

Mover:

Seconder:

THAT the following item, namely:

11.1 Minutes – Audit Committee Meeting held 9 July 2019

Is accepted as a late item onto this agenda.

ITEM NUMBER:	11.1
REPORTING OFFICER:	Lloyd Barton, Director Corporate Services
SENIOR OFFICER:	Noel Mason, Chief Executive Officer
MEETING DATE:	25 July 2019
DISCLOSURE OF INTEREST:	Nil

1.0 Matter for Consideration

- 1.1 A meeting of the Audit Committee held on Tuesday 9 July and Council therefore needs to note and receive the Minutes of this Committee meeting and consider the Committee’s recommendations to Council.
- 1.2 The minutes of the Audit Committee meeting held Tuesday 9 July 2019 are now presented (Appendix 11.1A) to Council for consideration.

The following recommendations to Council arising from the Audit Committee Meeting are as follows:

Reports from Audit on the 2018/19 Financials

That:

- 1. The 2018-19 Interim Audit Report by the Office of Auditor General be received by the Audit Committee.**
- 2. The Audit Committee note the issues raised by the Auditors.**

Action Plan of issues identified from the review of Risk Management, Legislative Compliance and Internal Controls

That the Audit Committee:

- 1. Note the "Implementation Action Plan and Risk Management, Legislative Compliance and Internal Controls" quarterly report as appended.**

Target Reporting for Audit Committee Information – Various Items

That the Audit Committee:

- 1. Note the information report and material contained.**

2.0 Statutory Environment:

Local Government Act 1995

Section 2.7(2) Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 Provides that the general function of the local government is to provide for the good government of the persons in the district.

5.0 Strategic Implications

5.1 Objective:

4. Civic: Working together to strengthen leadership and effective governance.

5.2 Outcome:

Civic - 4.1 A local government that is respected and accountable

5.3 Strategy:

Civic - 4.1.1 Provide strong, effective and functional governance and leadership in the Shire

6.0 Policy Implications

Nil

7.0 Financial Implications

There are no financial implications in respect to this report.

8.0 Sustainability Implications

8.1 Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

8.2 Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

8.3 Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

COMMITTEE RECOMMENDATIONS:

Reports from Audit on the 2018/19 Financials

COMMITTEE RECOMMENDATION (1)

That Council adopt the following recommendation:

That:

- 1. The 2018-19 Interim Audit Report by the Office of Auditor General be received by the Audit Committee.**
- 2. The Audit Committee note the issues raised by the Auditors.**

Action Plan of issues identified from the review of Risk Management, Legislative Compliance and Internal Controls

COMMITTEE RECOMMENDATION (2)

That Council adopt the following recommendation:

That the Audit Committee:

- 1. Note the "Implementation Action Plan and Risk Management, Legislative Compliance and Internal Controls" quarterly report as appended.**

Target Reporting for Audit Committee Information – Various Items

COMMITTEE RECOMMENDATION (3)

That Council adopt the following recommendation:

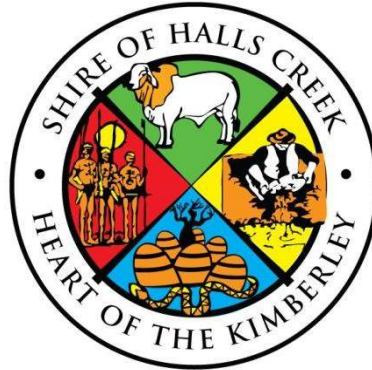
That the Audit Committee:

- 1. Note the information report and material contained.**

VOTING REQUIREMENT: Simple Majority

Appendix:

11.1A – Audit Committee Minutes – 9 July 2019



SHIRE OF HALLS CREEK

MINUTES

**OF THE AUDIT COMMITTEE MEETING
HELD ON**

9 July 2019

Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

7 Thomas Street, Halls Creek PO Box 21, Halls Creek WA 6770

P (08) 9168 6007 F (08) 9168 6235

E hcshire@hcshire.wa.gov.au

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Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

TABLE OF CONTENTS
AUDIT COMMITTEE MEETING
TUESDAY 9 July 2019

1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	4
2.	RECORD OF ATTENDANCE/LEAVE OF ABSENCE (PREVIOUSLY APPROVED) / APOLOGIES/ LATE ARRIVALS / DISCLOSURE OF INTEREST	4
3.	PUBLIC QUESTION TIME	4
4.	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS	4
5.	PETITIONS / DEPUTATIONS / PRESENTATIONS	5
6.	REPORTS OF OFFICERS AND COMMITTEES	
	6.1.1 Reports from Audit on the 2018/19 Financials	5
	6.1.2 Action Plan of issues identified from the review of Risk Management, Legislative Compliance and Internal Controls	9
	6.1.3 Target Reporting for Audit Committee Information – Various Items	12
7.	NEW DECISIONS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING	15
8.	MATTERS BEHIND CLOSED DOORS	15
9.	CLOSURE OF MEETING	15
10.	CERTIFICATION	15

ATTACHMENTS

Attachment No	Description	Page No
6.1.1A	OAG Interim Audit Report and Management Report	16
6.1.2A	Action Plan from review of Risk Management, Legislative Compliance and internal Controls	19
6.1.2B	Implementation Action Plan	29
6.1.3A	Time in Lieu Balances	32
6.1.3B	Procurement Limits – Local Government Act 1995	33
6.1.3C	Rating Summary – overdue Rates (3 pages)	34
6.1.3D	Rate Settlement – A4213; 184 Gt Northern Hwy	37
6.1.3E	Credit Card Transactions Outstanding as at 30 June 2019	38
6.1.3F	Cleaning Contract – Summary of Expenditure under Contract	39

AUDIT COMMITTEE MEETING**MINUTES****1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The meeting was opened at 1.08pm by the Shire President.

2. RECORD OF ATTENDANCE/ LEAVE OF ABSENCE (PREVIOUSLY APPROVED)/ APOLOGIES/ LATE ARRIVALS/DECLARATIONS OF INTEREST**2.1 Attendance**

Shire President	Cr Malcolm Edwards
Councillors	Cr Brett Perkins Cr Virginia O'Neil

Chief Executive Officer	Noel Mason
Finance Manager	Kim Chua
Director Executive Services	Kellie Gill

2.2 Leave of Absence (previously approved)

Nil

2.3 Apologies

Deputy President	Cr Chris Loessl
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2.4 Late Arrivals**2.5 Declaration of Interests**

Councillor/Staff Member	Item No.	Interest	Comments
Name/position	Nil	Nil	Nil

3. PUBLIC QUESTION TIME

Nil

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

RESOLUTION: A 2019/05**Moved: Cr Brett Perkins****Seconded: Cr Virginia O’Neil****That Council confirms the minutes of the Audit Committee Meeting held 26 February 2019 as a true and accurate record.****CARRIED 3/0****5. PETITIONS / DEPUTATIONS / PRESENTATIONS**

Nil

6. REPORTS OF OFFICERS AND COMMITTEES**6.1.1 Reports from Audit on the 2018/19 Financials**

ITEM NUMBER:	6.1.1
REPORTING OFFICER & SENIOR OFFICER:	Noel Mason, Chief Executive Officer
MEETING DATE:	9 July 2019
DISCLOSURE OF INTEREST:	The Reporting Officers have no interest to declare.

1.0 Matter for Consideration

1.1 The Interim Audit report has been submitted by the Office of Auditor General (OAG) following the independent Interim Audit being conducted by Moore Stephens.

2.0 Background

2.1 The Interim Audit is carried out by Moore Stephens with direct reports to the OAG’s Office – Nayna Raniga.

2.2 A pre-Interim Audit phone conference was undertaken with staff and the President as per current AOG audit instructions. No major issues were identified in the conduct of the pre-Audit conference.

2.3 The auditor Moore Stephens reported one item in the Interim Management letter that required clarification by the Chief Executive Officer.

2.4 The Audit Committee must receive the Interim Audit statement and note matters raised.

3.0 Comments

Independent Audit Report

3.1 Moore Stephens during their Audit identified the following;

The OAG responded to the CEO's comments:

Good Afternoon Noel,

I hope things are going well for you at Halls Creek.

I gave you a call earlier to touch base with you relating to the interim audit performed by Moore Stephens on our behalf. There was one significant Management Letter issue raised and I am comfortable with the response you have provided. I was wanting to give you a heads up that I will be issuing this management letter formally with a copy to be provided to yourself and the President. A copy will go to the Minister for Local Government at the conclusion of the final audit.

In discussion with Moore Stephens they have also raised the successful Native Title Claim over Duncan and Tanami Roads. I have asked them for further information relating to this, in particular when this was successful and also to ensure we have any legal updates in terms of access to these roads. This is to make sure we can assess the impact to the financial statements. Please keep me updated in this regard.

Other than that if you have any concerns or queries please feel free to give me a call.

*Kind regards
Nayna*

Nayna Raniga
Director
Financial Audit
Office of the Auditor General for Western Australia
TEL: (08) 6557 7714
[*Nayna.Raniga@audit.wa.gov.au*](mailto:Nayna.Raniga@audit.wa.gov.au)
[*www.audit.wa.gov.au*](http://www.audit.wa.gov.au)

3.2 In relation to the Interim Audit questions concerning native Title and Roadworks, the CEO has provided Moore Stephens and the OAG's Office with a legal opinion provided by Civic Legal on the 6th June 2019. In essence, the AOG's Office must now determine how Shires should process accounting requirements as they relate to Native Title Land for which there will be roadworks expenditure.

3.3 This is not a cut and dried subject, and OAG's Office will have to guide the Shire on how this expenditure should be treated.

3.4 A copy of the legal opinion is tabled – email extract of what is occurring.

Email Extract – Moore Stephens

Hi Noel,

Sorry for the late reply, thanks for sending that information through.

I will discuss with Nayna and keep you and Kim in the loop.

James Arthur
Manager
Moore Stephens (WA) Pty Ltd

From: Noel Mason <ceo@hcshire.wa.gov.au>
Sent: Monday, 24 June 2019 5:50 PM
To: James Arthur <jarthur@moorestephens.com.au>
Subject: FW: Interim Management Letter - Shire of Halls Creek

Hi James,

Sent this to Raniga last week. It's pretty complex – but outlines clearly what we have to do in terms of doing work on the roads – but doesn't address the question of how the accounting record should address what is occurring.

Have a chat to Kim when you have worked your way thru it and maybe we can decide what impacts this end.

Regards

Noel Mason

- 3.5 It is not anticipated that the OAG will have a quick answer on the accounting practice for recording expenditure on undedicated roads any time soon; may become an annual statement issue.

4.0 Statutory Environment

- 4.1 Local Government (Audit) Regulations 1996 section 1 details the requirements of the audit committee function.
- 4.2 Local Government (Audit) Regulations 1996 section 9 details the requirements on the performance of the audit.
- 4.3 Local Government (Audit) Regulations 1996 section 10 details the requirements of the audit report.
- 4.4 Local Government Act 1995 Sections 7.9 to 7.12 details the requirements on the conduct of the audit.

5.0 Strategic Implications

- 5.1 Objective:
4. Civic: Working together to strengthen leadership and effective governance.
- 5.2 Outcome:

Civic - 4.1 A local government that is respected and accountable

5.3 Strategy:

Civic - 4.1.1 Provide strong, effective and functional governance and leadership in the Shire

6.0 Policy Implications

6.1 Nil

7.0 Financial Implications

7.1 Nil

8.0 Sustainability Implications

8.1 Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

8.2 Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

8.3 Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

9.0 Risk

9.1 Risk identified by the Audit has been addressed. Staff have now received additional instruction as to the requirements of the Shire in preparing accounts for payment. Additional WALGA training on procurement practice and Shire procurement policy will be held for a number of staff in August 2019, therefore the occurrence of these errors will be removed/reduced.

9.2 Risk control Measures

Training is the identified Risk Control Measure to be undertaken. See above.

RESOLUTION: A 2019/06

Moved: Cr Virginia O'Neil

Seconded: Cr Brett Perkins

That:

- 1. The 2018-19 Interim Audit Report by the Office of Auditor General be received by the Audit Committee.**
- 2. The Audit Committee note the issues raised by the Auditors.**

CARRIED 3/0

6.1.2 Action Plan of issues identified from the review of Risk Management, Legislative Compliance and Internal Controls

ITEM NUMBER:	6.1.2
REPORTING OFFICER & SENIOR OFFICER:	Noel Mason, Chief Executive Officer
MEETING DATE:	9 July 2019
DISCLOSURE OF INTEREST:	The Reporting Officer has no interest to declare.

1.0 Matter for Consideration

1.1 To receive an update to the Implementation Action Plan activities and the review of the actions taken to address the Risk Management, Legislative Compliance and Internal Control report conducted by Moore Stephens.

2.0 Background

2.1 The Shire of Halls Creek conducted a Regulation 17 of the Local Government (Audit) Regulations review as their response to the CCC Inquiry and Report. (See 2.2. Below) The CEO has provided progress reports to the Department of Local Government and Communities each quarter as to the work has been undertaken. The previous review was done in March 2019 and as this review coincides with an Audit Committee meeting the CEO is submitting the latest quarterly report for information.

2.2 At the Ordinary Meeting of Council held on 20 September 2018, Council received the following reports:

- CCC Report titled "A Report into how conflicts of interest undermine good governance – A Report on the Chief Executive Officer of the Shire of Halls Creek", released 30 August 2018.
- Moore Stephens Report titled "Review of issues arising from Crime and Corruption Commission (CCC) Investigation, and
- Moore Stephens Report titled "Review of risk management, legislative compliance and internal controls". (Known as the Reg 17 Audit Report)

2.3 Following submission of the three reports to the Department of Local Government, Sport and Cultural Industries (the Department), as outlined in the above resolution, the Acting CEO met with Department representatives in Perth on Monday 15 October 2018 to discuss the reports. Subsequently, the Department wrote to Council requesting Council prepare an Action Plan to implement the improvements as outlined in the three reports.

2.4 The Acting CEO prepared a draft "Implementation Action Plan" addressing the issues identified in the "Review of issues arising from Crime and Corruption Commission (CCC) Investigation", in consultation with the

Department. Council endorsed this action plan at the Ordinary Council Meeting on 15 December 2018.

- 2.5 Initially the two reports prepared by Moore Stephens were going to be treated together with one action plan developed, however the Department's view was that as the Reg 17 Audit Report is a legislative requirement, that report should follow the required process through the Audit Committee.

3.0 Comments

- 3.1 The Implementation Action Plan and Reg 17 Audit Report spreadsheet details actions being undertaken and completed to address the matters raised. Council is generally complying with identified timeframes.

- 3.2 The CEO and senior management team are currently working on reviewing all procedures, with a targeted completion date of September 2019. The major work remaining is the preparation of the Shires Integrated Planning reports. The consultation is planned for August and September to be followed by the write up – likely taking until February 2020.

4.0 Statutory Environment

4.1 Local Government Act 1995

Section 2.7(2) Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

4.2 Local Government (Audit) Regulations 1996

Regulation 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.

5.0 Strategic Implications

5.1 Objective:

4. Civic: Working together to strengthen leadership and effective governance.

5.2 Outcome:

Civic - 4.9 Capacity for effective governance is established, maintained and enhanced

5.3 Strategy:

Civic - 4.1.1 Provide strong, effective and functional governance and leadership in the Shire

6.0 Policy Implications

6.1 There are no policy implications in respect to the recommendation of this report, the major review the Shire's Policy Manual in June 2019 has addressed all of the policy issues identified by the CCC and the DLG&C.

7.0 Financial Implications

7.1 The financial implications of the recommendation, if any can be managed within the provisions contained in the 2019/20 adopted Budget.

8.0 Sustainability Implications

8.1 Environmental

There are no identifiable environmental impacts arising from adoption of the officer's recommendation.

8.2 Economic

There are no identifiable economic impacts arising from adoption of the officer's recommendation.

8.3 Social

There are no identifiable social impacts arising from adoption of the officer's recommendation.

8.4 Risk

The matters contained in the report represent a moderate risk to the Shire if not appropriately addressed, but there are no risks in the proposed recommendation.

RESOLUTION: A 2019/07

Moved: Cr Virginia O'Neil

Seconded: Cr Brett Perkins

That the Audit Committee:

- 1. Note the "Implementation Action Plan and Risk Management, Legislative Compliance and Internal Controls" quarterly report as appended.**

CARRIED 3/0

6.1.3 Target Reporting for Audit Committee Information – Various Items

ITEM NUMBER:	6.1.3
REPORTING OFFICER/SENIOR OFFICER	Noel Mason, Chief Executive Officer
MEETING DATE:	9 July 2019
DISCLOSURE OF INTEREST:	The Reporting Officer has no interest to declare.

1.0 Matter for Consideration

1.1 To receive updates from the Management team on aspects of the Shires financial performance and management. Oversight and analysis are done on a semi-regular basis by the management team focussing on hot topics and where risk has been identified that needs assessment.

2.0 Background

2.1 The Shire Compliance regime requires that we test regularly elements of the business performance, risk and internal controls to see how they are performing financially. You can see from the presented information that once actions are identified, they are usually followed-up to a conclusion.

3.0 Comments

3.1 The Audit Committee can have a degree of confidence that management applies time to these matters.

3.2 This work is now presented regularly to the Management team meetings so that all Directors have knowledge of the reviews and why they occur and what the outcomes are. The work compliments our Implementation Action Plan activities, the Risk Management assessments and our Legislative Compliance and Internal Control.

3.3 Some of this work has been reported back to the DLG&C as part of the quarterly reports.

3.4 Report Items for Information

3.4.1 Time in Lieu Balances – as part of the push to reduce all TIL Balances by the 1st April 2019; staff were requested to take leave or seek payout. At the 1st April 2019, all staff balances remaining formed part of agreements with individuals to take the leave with annual leave. All has since now been extinguished.

New Flexible Work Arrangements procedures are in place, and have commenced. See Memo.

3.4.2 Procurement Limits – Local Government Act 1995 - \$150,000

The DLG&C have signalled that procurement exceeding \$150,000 over a 3-year cycle should be sufficient to trigger tender provisions. An analysis was undertaken of organisations that have 3-year expenditure exceeding \$150,000. The Shire was required to then do more analysis on Broome Contracting and Greenfields to meet the CCC requirements.

Both analyses were forwarded to the Dept of Local Government, to date no response, though are reasonably confident that no further work will be required.

- 3.4.3 Rating Summary – overdue Rates (3 pages)
- 3.4.4 Rate Settlement – A4213; 184 Gt Northern Hwy
- 3.4.5 Credit Card Transactions Outstanding as at 30 June 2019
- 3.4.6 Cleaning Contract – Summary of Expenditure under Contract
- 3.4.7 Assessment of Staff Utilities – A number of staff have contract and appointment provisions that set the amount of utilities paid by the Shire. This was assessed in May 2019 and no staff were found to be exceeding limits. One staff member was close, but we were confident that the Shire's payment of utilities requirements would not have been exceeded.

4.0 Statutory Environment

4.1 Local Government Act 1995

Section 2.7(2) Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

4.2 Local Government (Audit) Regulations 1996

Regulation 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.

5.0 Strategic Implications

5.1 Objective:

4. Civic: Working together to strengthen leadership and effective governance.

5.2 Outcome:

Civic - 4.9 Capacity for effective governance is established, maintained and enhanced

5.3 Strategy:

Civic - 4.1.1 Provide strong, effective and functional governance and leadership in the Shire

6.0 Policy Implications

6.1 There are no policy implications in respect to the recommendation of this report.

7.0 Financial Implications

7.1 There are no financial implications contained in the recommendation.

8.0 Sustainability Implications

8.1 Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

8.2 Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

8.3 Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

8.4 Risk

The matters contained in the report represent no risk to the Shire.

RESOLUTION: A 2019/08

Moved: Cr Virginia O'Neil

Seconded: Cr Brett Perkins

That the Audit Committee:

1. Note the information report and material contained.

CARRIED 3/0

- 7. NEW DECISIONS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**
- 8. MATTERS BEHIND CLOSED DOORS**
- 9. CLOSURE OF MEETING**
- 10. CONFIRMATION**

Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

APPENDIX 6.1.1A



Our Ref: 8314

Mr Noel Mason
Chief Executive Officer
Shire of Halls Creek
PO Box 21
HALLS CREEK WA 6770

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: (08) 6557 7500

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Email: info@audit.wa.gov.au

Dear Mr Mason

ANNUAL FINANCIAL REPORT INTERIM AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2019

We have completed the interim audit for the year ending 30 June 2019. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to evaluate your overall control environment, but not for the purpose of expressing an opinion on the effectiveness of internal control, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

Management Control Issues

I would like to draw your attention to the attached deficiency in internal control that was identified during the course of the interim audit. This matter has been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management. Some of the matters may be included in our auditor's report in accordance with section 7.9(2) of the *Local Government Act 1995* or regulation 10(3)(a) and (b) of the *Local Government (Audit) Regulations 1996*. If so, we will inform you before we finalise the report.

An audit is not designed to identify all internal control deficiencies that may require management attention. It is possible that irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of your local government, Shire of Halls Creek and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7714 if you would like to discuss these matters further.

Yours faithfully

NAYNA RANIGA
DIRECTOR FINANCIAL AUDIT

19 June 2019

Attach

ATTACHMENT

SHIRE OF HALLS CREEK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Expenditure was not always supported by a purchase order.	✓		

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

Please Note - These minutes have yet to be confirmed by Council's Audit Committee of a true and correct record of proceedings

ATTACHMENT

SHIRE OF HALLS CREEK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

FINDINGS

1. Expenditure was not always supported by a purchase order.

Finding

Sample testing of payment transactions noted expenditure was not supported by a purchase order as required by the Shire's Purchase of Goods and Services Policy.

Rating: Significant

Implication

Purchases made without authorised purchase orders may increase the risk of unauthorised expenditure occurring and going undetected. Further it is more difficult for the Shire to track whether expenditure incurred is in line with budgets or expectations and is dependent on the receipt of a tax invoice.

Recommendation

The Shire should implement processes to ensure compliance with its Purchase of Goods and Services Policy. All authorised officers should be reminded of the need to ensure purchase orders are raised and authorised prior to incurring expenditure. This will provide a key control to ensure payment transactions as detailed in tax invoices received are in line with authorised expenditure. Further this will assist the Shire in managing its budget responsibility.

Management Comment

I advise the Shire has:

- CEO has commenced a pre-payment review of all payment vouchers with Finance staff, commencing 1 May 2019 to assess the extent of the issue. To date a number of additional record and process matters have been identified that require correction.
- New Procurement Policy was adopted by Council on the 16th May 2019, and whilst this is substantially similar to the existing procurement policy – it will necessitate new training for staff by WALGA which has been arranged for June and July 2019.
- All authorised officers have been reminded by email from the CEO of the need to ensure purchase orders are raised and authorised prior to incurring expenditure.
- WALGA training will include procurement in relation to tenders

Responsible Person:

Noel Mason

Completion Date:

July 2019

APPENDIX 6.1.2A

Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019 Shire of Halls Creek - Risk Assessment

Context of assessment	Item	DLG Ref	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Mitigation and Management Strategy (Possible Future Controls)	Category	Shire Response March 2019	Shire Response June 2019	Dept LGC Response June 2019	Shire Response Sept 2019	Dept LGC Response Sept 2019
Strategic Community Plan														
Entity Wide	1		AR 6.1.1	The Strategic Community Plan has not had a major review within four years as required by Local Government (Administration) Regulations 1996 19C (4).	Compliance breach			To help ensure compliance and provide sound planning direction to the organisation the Strategic Community Plan should be reviewed every four years.	Integrated Planning	SCP Second half 2019	Now have IP community consultation locked in with Peter Kenyon			
Corporate Business Plan														
Entity Wide	2		AR 6.1.2	The Corporate Business Plan has not been reviewed annually as required by Local Government (Administration) Regulations 1996 19DA (4).	Compliance breach			To help ensure compliance and provide sound planning direction to the organisation, the Corporate Business Plan should be reviewed annually.	Integrated Planning	CBP Second half 2019	CBP Second half 2019			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	3		AR 6.2.1	The Policy does not provide purchasing requirements for procurement of goods or services with a contract value exceeding \$150,000 where public tenders are not invited, in accordance with the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(7)	Lack of probity. Financial loss. Unauthorised purchasing.			Amend the Policy to provide requirements for authorisation of procurement of goods or services with a contract value exceeding \$150,000 where public tenders are not invited.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Policy Manual adoption Procurement Policy A11 covers this point.			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	4		AR 6.2.1a	Requests for quotations for the procurement of services exceeding \$150,000 have been issued and contracts awarded by Council based on the suppliers being on the WALGA Approved Supplier Panel. Whilst this is allowed by legislation, the Purchasing Policy does not provide for this exemption	Lack of probity. Financial loss. Unauthorised purchasing.			Amend the policy to provide for suppliers on the WALGA Approved Supplier Panel to be awarded contracts exceeding \$150,000 without inviting public tenders.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Policy Manual adoption Procurement Policy A11 covers this point.			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	5		AR 6.2.1b	The Policy requires purchases from a supplier not to exceed \$150,000 over three years without calling tenders. This is not required by legislation and is viewed as impractical as persons procuring services have no knowledge of the subsequent years' budget allocations and therefore no knowledge of future expenditure.	Lack of probity. Financial loss. Unauthorised purchasing.			Purchasing requirements for the issuing of contract variations and extensions for contracts not awarded by public tender. Consideration should be given to circumstances where the contract value increase over a policy threshold level, due to the variation or extension.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Policy Manual adoption Procurement Policy A11 covers this point.			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	6		AR 6.2.1c	The Policy does not provide direction in relation to contract variations and extensions for contracts awarded.	Lack of probity. Financial loss. Unauthorised purchasing.			Prohibit price variations to existing contracts awarded by tender other than those provided within the original contract, as required by Local Government (Functions and General) Regulations 1996 Regulation 11(2) (j) (iv). Procedures should also be developed for the authorisation of variations allowed for by the regulations.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Policy Manual adoption Procurement Policy A11 covers this point.			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	7		AR 6.2.1d	The Policy does not contain an anti-avoidance clause to ensure officers do not make procurements in such a way as to avoid compliance with the Policy.	Lack of probity. Financial loss. Unauthorised purchasing.			Insert an anti-avoidance clause relating to all purchasing within the Policy.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Policy Manual adoption Procurement Policy A11 covers this point.			
Purchasing Policy - ADM21 Purchase of Goods and Services														
Entity Wide	8		AR 6.2.1e	The Policy does not provide for the use of a list of pre-qualified suppliers for low value purchases from specialist suppliers requiring qualifications, such as tradespeople.	Lack of probity. Financial loss. Unauthorised purchasing.			Maintain a list of pre-qualified suppliers, who have provided copies of their insurance and relevant qualifications and have a clean supply record. Given the remote location, purchasing requirements for persons on this list could be lower than for other suppliers.	Procurement	Policy Review - Mar April 2019	CNL RES: 2019/060 - Procurement Policy A11 - no local Panel Suppliers included.			
Purchasing Policy - ADM21 Purchase of Goods and Services														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
Shire of Halls Creek - Risk Assessment

Context of assessment	Item	DLG Ref	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Mitigation and Management Strategy (Possible Future Controls)	Category	Shire Response March 2019	Shire Response June 2019	Dept LGC Response June 2019	Shire Response Sept 2019	Dept LGC Response Sept 2019
Entity Wide	9		AR 6.2.1f	Procurement training was undertaken in late June 2018. Further training of officers with purchasing authority may be required to update on any amendments and reinforce the need to adhere to the Purchasing Policy and procedures is recommended, along with the examination of further controls to help ensure compliance with the Policy.	Lack of probity. Financial loss. Unauthorised purchasing.		Poss	Given staff turnover levels, training should be scheduled with sufficient regularity to ensure all officers have received adequate training.	Procurement	Training process, new staff no authority to purchase until trained	2 day training with WALGA on 19 Aug 2019. Cert IV in Procurement planned for DCS Sept 2019			
Internal Control														
Entity Wide	10		AR 6.2.2	Currently, no policy on internal controls has been adopted by Council.	Lack of strategic direction for implementation of internal controls		Poss	Development and adoption of an internal control policy covering the entire organisation will help formalise Council's commitment to internal controls, based on risk management principles.	Internal Controls	Policy Review - Mar April 2019	Staff and Council sees no value in Policy approach. Processes designed to report back to Audit Committee on Compliance performance and Risk Policy A17 applies. Committee then has direct knowledge if staff meeting compliance and internal control			
Legislative Compliance														
Entity Wide	11		AR 6.2.3	Currently, no Policy on internal legislative compliance has been adopted by Council.	Lack of strategic direction for legislative compliance		Poss	Development and adoption of a legislative compliance policy will help formalise Council's commitment to legislative compliance.	Legislative Compliance	Policy Review - Mar April 2019	Staff and Council sees no value in Policy approach. Reports back to Audit Committee on Compliance performance covers all internal assessment of Legal and Risk (A17 also applies). Committee then has direct knowledge if staff meeting			
Risk Management														
Entity Wide	12		AR 6.2.4	The Policy is in line with ISO 31000 and considered practical for the scale of Shire Operations. The Policy has been activated though the supporting framework, however requires more routine assessment of risks undertaken to identify and treat the risks associated with the compliance events which have occurred over recent years.	Lack of strategic direction for risk management procedures		Poss	Further develop and implement the supporting risk management framework and undertake more frequent assessment of risks.	Risk	Risk Review ongoing by CEO - framework still being developed.	Risk assessed in each OMC report framework, staff management meetings assess risks to Shire, various Plans address risk processes. Corporate Compliance Calendar is significant risk assessment tool. Policy A17 applies and then internal processes considered sufficient to address risk issues as they arise.			
Anit-Discrimination, Harassment and Workplace Bullying														
Entity Wide	13		AR 6.2.5	Policy requires incidents to be reported to the CEO for investigation. There are no provisions within the Policy for instances where the CEO is considered to be in breach of the Policy.	OSH Incident Compliance breach			Review and amend the Policy to empower other senior officers to investigate and report complaints raised against the CEO or for Council to be informed through the Shire President and engage independent persons to investigate if required.	Complaints	STF26 Review Mar Apr 19	SoHC processes establishing independent investigation into complaints has evolved to ensure that complaints are thoroughly investigated. See Policy A6 Internal Staff complaints are investigated under Procedure - Grievance Procedures. Complaint against CEO under this procedure can be investigated externally with independent consultant or internally whereby CEO is removed from the process. All other alternatives are advertised, reporting direct to the CCC, Public Sector Commission and Dept Local Government.			
Chief Executive Officer Leave Application														
Functional	14		AR 6.2.6	Policy requires CEO to apply to the Shire President for approval of leave. Currently no head of power exists under the Local Government Act 1995 for the Shire President to approve the CEO's leave.	Internal operational			Review and amend the Policy to require the CEO to seek Council approval of leave and for Council to appoint an Acting CEO. Where circumstances do not permit this to occur prior to the leave being taken, a report to Council should be prepared clearly detailing leave taken by the CEO as soon as practically possible after leave is taken.	HR	STF 36 CEO Leave policy created and applied - mthly report to OMC underway	CNL RES: 2019/060 - Policy Manual adoption HR Policy 5 covers this point.			
Leave Entitlements														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
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Entity Wide	15		AR 6.2.7	Policy defines a maximum number of leave hours staff may accrue. We understand the Policy was introduced when staff already exceeded the maximums with no plan in place as to how the staff could reduce their leave. At the time of our visit eight staff exceeded the maximum annual leave threshold by a total of 1,112 hours, with two staff exceeding the time in lieu threshold by a total of 240 hours.	Internal operational and compliance			Review and amend the Policy to remove thresholds and require management to manage staff leave levels. Consider providing the audit and risk committee routine reports on staff leave levels to provide oversight of the effectiveness of management of staff leave liabilities.	HR	STF30	Audit Committee now receives quarterly report on leave balances (including TIL balances). Matter assessed by CEO and senior management group.			
Complaints and Feedback Policy														
Entity Wide	16		AR 6.2.8	The Policy does not provide for the handling of complaints against the CEO.	Internal operational and compliance			Review and amend the Policy to provide a mechanism for the handling and resolution of complaints regarding the CEO.	Complaints	ADM8 Review	Complaint Policy and Grievance Procedure cover this point. Staff advised of external processes to complain about Shire and CEO.			
Asset Management Plan														
Functional	17		AR 7.1.1	The Shire has the following asset management plans: <ul style="list-style-type: none"> •Aquatic and Recreation Centre and Town Oval 2017 •Parks and Gardens 2017 •Plant and Equipment 2017 •Infrastructure – Roads 2017 •Land, Buildings and Housing 2017 •Halls Creek Airport 2017 •Information Technology 2017 The risk assessments within these plans should utilise the matrix of consequences and likelihood detailed in the Risk Management Framework and identify treatment plans to reduce the risk to an acceptable level.	Failure to appropriately manage assets Ineffective spending of financial resources on assets			On the next review of the asset management plans undertake risk assessments in accordance with the Risk Management Policy & Framework.	Integrated Planning	AMP - second half 2019	Planned following IP processes. Has been identified that previous Asset Plan contained incorrect estimates of replacement cost of assets, using current depreciated value of assets. Whilst this information is useless - format of plan of value.			
Business Continuity Plan														
Entity Wide	18		AR 7.1.2	A Business Continuity Plan was not available for our inspection.	Failure to adequately manage a business disruption event			A Business Continuity Plan be finalised, identifying and documenting key business continuity risks along with the treatments to reduce the risk to an acceptable level.	Risk	BCP - second half 2019	2019/20 Budget provision for Plan to be commenced. In meantime, have finalised IT Cloud conversion providing mitigated risk on IT loss, Records Management Plan dealing with mitigation of records in disaster and have ramped Insurance on Business Continuity to cover an other losses.			
ICT Strategic Plan														
Entity Wide	19		AR 7.1.3	An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection.	Loss of IT System.			Develop an ICT Strategic Plan identifying and documenting key ICT Lik risks along with the treatments to reduce the risk to an acceptable level.	Risk	ITSP - Underway, should have draft by end April	Completed in last quarter. Plan and action to Could base IT function and record working well. Copy provided			
Risk Management Framework														
Entity Wide	20		AR 7.2.1	Risk assessment and acceptance criteria within the Policy are not dependent on the context of the risk assessment being undertaken.	Failure to identify risks or adequately treat identified risks			Modification of the risk assessment and acceptance criteria within the Risk Management Framework will assist in the rating of risks, relevant to the context of the assessment. This would involve use of percentages rather than absolute values, when assessing the potential consequences of identified risks and avoid any need to redefine the risk assessment framework for different risk assessment contexts.	Risk	Risk Review ongoing by CEO - framework still being developed.	A17 maintains absolute values and allows for traffic light indicators also - a bit of both. Value of percentages, versus absolute numbers, versus traffic light debate of no consequence if risk not identified or addressed in first instance. Believe SoHC framework that also provides potential Risk Impact to Shire and what we see as risk is a simple but effective identification of what confronts			
Procedure Changes														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
Shire of Halls Creek - Risk Assessment

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Entity Wide	21		AR 7.2.2	Procedures for amending or changing procedures are not formalised. With high staff turnover, unilateral undocumented changes to procedures are likely and may result in a breakdown in key controls.	Failure to identify risks or adequately treat identified risks		Poss	Establish procedures for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation to assist with managing changes to procedures.	Procedures	Agreed - process being discussed at present as to how we can best implement	Still being formulated - but at present one individual is responsible for the production and dissemination to all staff of changes, adjustments and corrections to Forms, Policy, procedures and checklists. Most of this material also is presented in Management team meetings so management across rolling changes. Current system has traction - alternate records required in case staff member leaves.			
Documented Procedures														
Functional	22		AR 7.2.3	Limited documented procedures currently exist. From staff representations, where procedures exist they are not consistently followed and in many cases are outdated. We noted from staff representations, a number of procedures have recently been developed by staff or intentions are to develop procedures. This is encouraged.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff		Poss	Opportunities exist to improve standard operating procedures and ensure they are documented with key controls clearly identified. Once these procedures are developed and implemented, they require constant monitoring for adherence and to ensure effectiveness.	Procedures	Procedures - May June 2019	See above - still being finalised. Management team processes prevent individual dishonestly from flourishing and SOP's from decaying. Every senior manager is aware of changes and why.			
Procurement														
Functional	23		AR 7.2.4	Evidence of the required number of quotations being received is not always maintained to support compliance with the Procurement Policy. In one instance the reason stated for the non-compliance was due to there only being one supplier, no exemption from the requirements of the Policy exists for sole suppliers. The responsible officer acknowledged more than one supplier existed.	Fraud risk		Lik	Copies of quotations, or at least a signed record of quotations received should be maintained with the purchase order, as evidence of compliance with the Policy.	Procurement	Partially corrected following training during 5 Deckert's time as CEO - non compliance document now included at when Purchase Order created. Balance of Procedures - May June 2019	Now done - with additional checklist and declaration attached. Procurement officer must indicate reasons why Procurement Policy was not complied with and sign by CEO. Identifies decision taker at lower level - important part of process.			
Procurement														
Functional	24		AR 7.2.4a	Payments totalling in excess of \$190,000 were made to one supplier over an 18-month period, with no tender called and no order written until after the services were provided. No scope of services or rates were agreed with the supplier and no quotations were available for inspection. Officers provided the basis for the supply as the supplier being a WALGA Preferred Supplier. Part of the scope of works provided included works for which the contractor is not listed as a preferred supplier, in the category of the services obtained, on WALGA's website.	Fraud risk		Lik	Procedures should be developed to ensure suppliers awarded contracts exceeding \$150,000 based on being a WALGA Approved Supplier, are qualified as such for all aspects of the contract awarded.	Procurement	Procedure	Now covered - Policy A11 strengthens process. For all procurement above \$50k - a Procurement Plan must be prepared; therefore purchases via WALGA panel above \$50k covered. Plan provides/requires much more detail on scope, weightings, proven delivery etc.			
Procurement														
Functional	25		AR 7.2.4a	Payments to a supplier are made based only on a review of records undertaken by an external consultant, with no verification to source documents being undertaken by Shire officers. It is unclear from the contract as to what rates are to be applied and when they are to be applied. with no verification of the rates to the contract being undertaken by officers.	Fraud risk		Lik	Develop and implement procedures for the review of payments based on review of supporting records and contracted rates by Shire staff, prior to authorisation by officers with appropriate authority.	Procurement	Shire does retain ALL timesheets by contractors - signed by 4 persons, including Shire contract supervisor. Summarised totals are considered by Shire DIA and Contract Engineer when invoice presented for payment. The comparison provides the check to see that Shire only paying for works	Payment processes now require copy of contract rates etc. to be attached to the payment request. Invoices must be signed by 3 persons (where possible) in payment processes. Creditors staff also attach all information in terms of invoice validation. CEO currently re-affirms process by regular inspection of invoice batches until process is bedded into Creditors culture.			
Procurement														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
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Functional	26		AR 7.2.4b	Authorisation of plant to be utilised on an hourly rate contract is undertaken by the superintendent on the project, who is not an employee of the Shire.	Fraud risk			Control of works undertaken on the base of unit rate contracts should remain with accountable Shire staff, to ensure expenditure remains in line with budget provisions and is appropriately authorised.	Procurement	Plant authorisation takes agreement of 4 persons - that it is not a Shire employee is irrelevant. Our contracted supervisor has to agree that plant times are accurate. The check against the supervisor occurs when works cost more/less than Engineer's estimates - the plant allocated to the job is then under scrutiny.	Invoices now produced by Contractors and are assessed against contract amounts by external Engineering Services and Cnl engineering staff before being passed to creditors for payment. Creditor staff conduct check against contract rates too before loading into Creditors system.			
Procurement														
Functional	27		AR 7.2.4c	Instances where a previously tendered contract has run past its expiry date without a new procurement process having been initiated. Extensions to contracts awarded by tender are required to comply with the provision of Local Government (Functions and General) Regulations 1996 Regulation 21A.	Fraud risk			Extensions to tendered contracts should only be granted where they are allowed for by legislation. Procedures for the authorisation of any contract variations should be developed to ensure the variations do not change the scope of the contract, are minor and are authorised by officers with appropriate authority.	Procurement	Procedure	SoHC Policy A11 addresses this point. SoHC uses WALGA based procurement plan generally, but variances prior to signing contract and variation to contract both addressed. Preference vs not to fix exact amount or percentage as WALGA use, but intent to clearly identify existing contract provisions for changes - or recall new tenders.			
Tender Assessment														
Functional	28		AR 7.2.5	No procedures previously existed for the assessment of tenders against the selection criteria. These procedures and associated documentation have recently been developed and implemented. We noted an instance where a tender scope was developed by an external consultant, who also undertook the only assessment of the tender. No procedures or correspondence were available to ensure the independence of persons in assessing the tender. We note the consultant who undertook the assessment is currently engaged to oversee the works, review applications for payment by the supplier and plan works to be undertaken.	Compliance breach Financial loss			To help ensure probity and fairness when assessing tenders, procedures for the process to be undertaken in assessing tenders should be followed documented with at least three persons assessing the tender independently of each other. Persons assessing any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence.	Procurement	Completed now - can forward copy of last tender considered for Swimming Pool slide if required.	Now applies and is established in the procurement Plan - independent assessment of the Panel required. Probity Declaration required from all Panel members, prior to assessing tenders and these shared at commencement of assessment process; detailing all contact with tender applicants throughout and prior to the tender process.			
Procurement Assessment														
Functional	29		AR 7.2.6	No formal requirements were previously documented when undertaking assessments of major purchases. Procedures and associated documentation have recently been developed and implemented.	Fraud risk			To help support probity and fairness, when assessing responses to requests for quotation the process undertaken should be documented. The level of probity and due diligence processes to be followed should be scaled depending on the value or risk associated with the purchase, with the higher the value or risk, the higher the level.	Procurement	Yes completed - probity declaration will form part of the process documentation.	A11 cover this point. Requests for Quotation required on purchases above \$20k. Selection should not be based on price alone, and qualitative criteria such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors should be included in the RFQ.			
Procurement Assessment														
Functional	30		AR 7.2.6a	No formal requirements were previously documented when undertaking assessments of major purchases. Procedures and associated documentation have recently been developed and implemented.	Fraud risk			Purchases over \$150,000 should be subject to the same assessment procedures as those applied to tenders in instances where an exemption from calling tenders exists.	Procurement	In addition - we have undertaken some back check to see what the rolling 3 year averages are for some of our suppliers. Checking to see if tender provisions are met. Should finish the work for April.	Yes -A11 covers this - required for purchases above \$50k.			
Credit Cards														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
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Functional	31		AR 7.2.7	We noted a number of staff and the Shire President have credit cards linked to the Shires bank account. Significant control risks exist in relation to the use of credit cards due to the lack of oversight prior to purchases being made. No provision exists within the Local Government Act 1995 for the Shire President to make purchases on behalf of the Shire.	Fraud risk		Like	Reducing the number of credit cards issued will reduce the risks associated with use of credit cards. Cancel the Shire credit card held by the Shire President.	Procurement	See previous comment re credit cards - risk now significantly reduced - CEO confirms all transactions at present.	For operational requirements - CEO has now approved 2 more Credit Cards for Senior EHO and Program Manager YCD. NOW out to 13 Credit Card. Limits for new cards \$2000. Fuel cards linked to Rego and Mileage reports will be allowed for some staff having difficulty accessing fuel after hours, still being finalised.			
IT Disaster Recovery Procedures														
Entity Wide	32		AR 7.2.8	A proposal for the provision of managed IT disaster recovery services was available though no formal procedures or confirmation of a contract for these services existed. Staff confirmed the Shire had been subject to a ransomware attack and the IT consultants were able to halt the attack and restore the IT systems.	Loss of IT System. Cybey Security Threat		Like	Documented procedures to be followed in the event of an IT disaster should assist in minimising the amount of data loss and time to recover. Continuous review of IT security and training of staff in relation to IT security risks will help minimise the risk of an IT disaster.	Procedures	Disaster recovery will be addressed in the ICT Plan currently being written.	ICT Disaster Plan finalised and adopted at Council, covers this requirement. All records now held in Cloud - Contracts with Fourier (ICT Supplier) finalised after tenders called.			
Investments														
Functional	33		AR 7.2.9	An investment register is maintained within a spreadsheet, reflecting fixed term investments held. The register of investments does not indicate where interest and principal funds are transferred to on maturity. Copies of the register are not maintained in a format which prevents subsequent amendment.	Financial Loss and Breakdown of Internal Control		Unli	Tracing of funds on maturity of investments is essential and records of where funds are transferred and who authorised the transfer should be maintained within the register. Maintaining printed copies of the investment register reviewed and authorised by a senior manager independent of the control of the investments prevents subsequent amendment to the register.	Financial Reporting	Now completed. Report to Council becomes the Register each month and evidence of transactions being maintained in electronic version.	Completed. Each print becomes Register - so transactions can be followed. Only CEO has power to approve/sign off on reinvestments.			
Arts Centre Controls														
Functional	34		AR 7.2.10	Operations of the Art Centre are left in the trust of the Art Centre manager, who has responsibility for operation of the centre, negotiating purchases of art with artists, recording the art, setting of prices for the disposal of the art, sale of art and requests for payment of commissions to artists. Limited oversight or review of financial transactions is currently occurring, and no documented agreements are in place with artists. Prices of art for sale is set by the centre manager in consultation with artists and in certain circumstances the manager will negotiate discounts with potential buyers. We noted funds for the sale of art are placed in the Trust Account.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff		Poss	A full review of procedures and controls is required to determine practical procedures, documentation and controls for the sale of art on a commission basis. Procedures should ensure compliance with the regulatory requirements in relation to the setting of fees and charges and protect the Shire from any possible claims from artists.	Yarliyl	Yes - Full Review required - thinking of this as an additional item for external service provider - but may wait until Manager of Finance has settled in - he may be able to look at work.	Resolved Risk by ending 8 year supportive relationship with Arts Centre. Arts Centre now independent organisation as of 1 July 2019, operating with all its own processes, accounting, management of staff etc. - stand alone organisation backed by Wunan. All SoHC EOY transactions will divest SoHC interests. Balances have already been transferred across to Arts Centre. Building asset still remains Shire's lease agreement in place.			
Post Office Operations														
Functional	35		AR 7.2.11	Accepting the procedures and processes of the Post Office are largely governed by Australia Post, there is limited review and oversight of operations by senior management to ensure compliance with the Local Government Act 1995, Shire policies and procedures in relation to items such as procurement.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff		Poss	A full review of procedures and controls is required to determine practical procedures for the operation and oversight of the Post Office, to ensure compliance and minimise risks.	Post Office	Yes - Full Review required - thinking of this as an additional item for external service provider - but may wait until Manager of Finance has settled in - he may be able to look at work.	Yes - Full Review required - PO faces added difficulties as service provider, as costs SoHC to provide service. Manager of Finance will review performance across time as part of Integrated Planning (IP) considerations.			
Checklists														
Functional	36		AR 7.2.12	Checklists of key functions are maintained for selected functions. The checklists were not always maintained up to date for all compliance functions.	Compliance Breach		Poss	Creation and maintenance of standard checklists may assist in evidencing key points of control and serve as a reminder. Checklists are of assistance in ensuring compliance with repetitive legislative compliance tasks.	Procedures	Compliance Calendar already implemented - but requires expansion to ensure all matters included - under review.	Compliance Calendar already expanding and becoming a valued tool. Reviewed each month by Management team - adding items regularly.			
Workflow Diagrams														

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Functional	37		AR 7.2.13	Workflow diagrams have not been compiled for undocumented procedures.	Breakdown of internal controls. Controls reliant on the capability and honesty of staff		Poss	In conjunction with, or as an alternative to, the development of documented procedures and checklists, update and development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.	Procedures	Hopefully as part of process documentation - but may have to be an additional task that we complete later into 2019.	Many Procedures and processes still being designed and documented - expecting this to be adopted and applied during Aug-Sept.			
Code of Conduct														
Entity Wide	38		AR 7.3.1	The Code of Conduct approved by Council on 16 November 2017 does not provide for the lodging of complaints.	OSH Incident Compliance breach		Poss	Review the Code of Conduct to provide for the lodging of complaints.	Complaints	Code of Conduct Review as part of Policy update. Complaints procedures exist - whistle blower provisions and PSC processes also support this aspect.	CNL RES: 2019/060 - Adopted as Policy A1. Whistle blower provisions included.			
Code of Conduct														
Entity Wide	39		AR 7.3.1a	The Code of Conduct does not cover contractors.	OSH Incident Compliance breach		Poss	Review the Code of Conduct to extend it to cover contractors and provide for the lodging of complaints.	Complaints	Code of Conduct Review	CNL RES: 2019/060 - Adopted as Policy A1. Covers Contractors and provides for the lodging of complaints as does Complaints Handline Policy A6.			
Staff Training														
Entity Wide	40		AR 7.3.2	Staff training needs are currently identified on an ad-hoc basis.	Internal control or compliance breach		Poss	Develop a staff training matrix, to identify staff training needs relevant to their role. This will assist in a co-ordinated approach across the organisation.	HR	Training needs assessment being compiled	Commenced as part of pre Budget requirements. When Budget adopted - CEO will determine priorities - e.g. OSH and Procurement			
Staff Contracts														
Entity Wide	41		AR 7.3.3	Different forms of contract exist with some employees only having a signed conditional offer of employment as a contract.	Internal control or compliance breach		Poss	A standard form of contract, clearly defining role responsibilities and remuneration should be signed by both parties prior to employment commencing for all staff.	HR	Resolved - Contracts updated - Letter of Offer corrected	Completed in Last Quarter.			
Time Recording														
Entity Wide	42		AR 7.3.4	Time records completed by the employee and authorised by a senior officer have not been maintained for a large number of staff. Staff are employed based on a 76-hour fortnight, yet 84 hours a fortnight is processed through the payroll system with no supporting records.	Internal control		Poss	Timesheets should be completed by all staff and authorised by a more senior officer. Payroll should be processed against the timesheets in accordance with the employees' contract of employment.	HR	Now completed - correct processes in place. CEO currently, but Directors soon will be responsible for all overtime requests. Standard 76 hours is target at present.	Completed in Last Quarter.			
Time in Lieu														
Entity Wide	44		AR 7.3.5	Contracts reviewed do not entitle employees to time in lieu, with some contracts providing for a 9-day fortnight to be worked of 76 hours or for a flexi-day in each fortnight. Based on a long-standing verbal arrangement, employees have been credited for 8 hours per fortnight of time in lieu despite no obligation in their contract and no time records to substantiate the hours worked.	Internal control		Poss	Formalise the time in lieu arrangement with employees and develop procedures to substantiate the hours worked by all employees.	HR	TIL Ceased - balances being extinguished. If TIL required into future - will be in accordance with Policy being created. Max balance 10 days for travel days and Easter and Christmas shutdown. All other additional work is required to be balanced in the pay fortnight. With CEO only approving additional time worked - can stay on top of accumulation.	Procedure - Flexible Working Arrangements - allows for all Directors and Managers to establish work focussed commencement and finish times, that can include RDO or TIL entitlements. All approvals must be in advance (no blanket cover) and be acknowledged by CEO. Timesheets provide the daily record of credit and use, again Manager must sign agreement to timesheet. Maximum of 10 working days accumulation - must be cleared annually. Management team monitors balances and reports to Audit Committee.			
Contractor Insurance														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
Shire of Halls Creek - Risk Assessment

Context of assessment	Item	DLG Ref	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Mitigation and Management Strategy (Possible Future Controls)	Category	Shire Response March 2019	Shire Response June 2019	Dept LGC Response June 2019	Shire Response Sept 2019	Dept LGC Response Sept 2019
Functional	45		AR 7.4.1	Contractors' insurances are not assessed prior to award of contracts in all cases. General contractors engaged on an ad hoc basis are generally not required to produce details of the level or existence of their insurance coverage or licences to undertake the works.	Financial Loss OSH Incident			To help ensure all contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be developed, and records maintained of suppliers who have provided all relevant documentation.	Procurement	Procedures have improved - Contractors Insurances are echecked and record retained for tenders and adhoc contracts.	Process ongoing - checks now undertaken.			
Council and Committee Minutes														
Functional	46		AR 8.1.1	Official minutes of meetings do not include copies of matters presented at the meeting or a record of any deliberations which occurred during the meeting.	Failure to identify risks or adequately treat identified risks			To provide a comprehensive record of proceedings of Council meetings, all agenda items considered, reports presented, Poss deliberations and resolutions should be included within the minutes of Council meetings.		Minute changes completed. Minutes generally sound in terms of processes now.	Completed last quarter and DLG signalled no further action required.			
Council and Audit Risk Committee														
Functional	47		AR 8.1.2	Identified risks are included within agenda items for elected member consideration, though these are not recorded in a risk register appropriately. The Risk Management Framework requires the evaluation of residual risks in relation to the treated risks. Residual risk is not evaluated following the decision of Council or implementation of the decision of Council.	Failure to identify risks or adequately treat identified risks		Poss	Risks raised in Council, should be recorded in the risk register and residual risks following a Council decision should be evaluated and recorded as required by the risk management framework.	Risk	Risk Management framework being considered in Policy and procedure review. Change to Tender processes have improved highest risk issues. Record in reports being assessed in terms of overstatement.	CNL RES: 2019/060 - Risk Management Policy A17 - now covers methodology. Risk Register records risks identified - and Risk reported via Audit Committee.			
Monthly Statement of Financial Activity and List of Payments.														
Functional	48		AR 8.1.3	A copy of the statements presented to Council are not recorded within the approved minutes as required by the Paragraph 34 (4) (b) of Local Government (Financial Management) Regulations 1996.	Financial Loss and Breakdown of Internal Control		Lik	We note this has been rectified in recent months.	Financial Reporting	In Minutes - done	Completed			
Monthly Statement of Financial Activity and List of Payments.														
Functional	49		AR 8.1.3a	Explanations of variances are provided for the operating statements by program, however no explanation of variances in the Rate Setting Statement was included in the Statement of Financial Activity as required.	Financial Loss and Breakdown of Internal Control		Lik	Ensure the Monthly Statement of Financial Activity contains all items required by legislation.	Financial Reporting	Report - done	Completed			
Monthly Statement of Financial Activity and List of Payments.														
Functional	50		AR 8.1.3b	A copy of the list of payments presented to Council are not recorded within the approved minutes as required by the Paragraph 13 (3) (b) of Local Government (Financial Management) Regulations 1996.	Financial Loss and Breakdown of Internal Control		Lik	We note this has been rectified in recent months. Continue to record a copy of Monthly Statement of Financial Activity and list of payments in the minutes of the meeting.	Financial Reporting	In Minutes - done	Completed			
Monthly Statement of Financial Activity and List of Payments.														
Functional	51		AR 8.1.3c	The list of payments presented to Council and included in the Agenda includes details of each invoice. Disclosure of this level of detail is not required and is not considered appropriate as it provides commercial information to the public.	Financial Loss and Breakdown of Internal Control		Lik	Remove any unnecessary information from the list of payments presented to Council.	Financial Reporting	Report has changed - still looking to see how sufficient credit card detail can be provided for Councillors - done	OAG has now require all Credit Card transactions reported to the Council. Had considered summarising this information and put up a couple of options to Council - but at Interim Audit in May asked the question of Auditors. They checked with OAG who indicate we are now required to detail every Credit card transaction in report to Council. has resulted in 4-5 pages of credit card purchases being detailed in accounts for payment reports.			
Risk Register														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
Shire of Halls Creek - Risk Assessment

Context of assessment	Item	DLG Ref	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Mitigation and Management Strategy (Possible Future Controls)	Category	Shire Response March 2019	Shire Response June 2019	Dept LGC Response June 2019	Shire Response Sept 2019	Dept LGC Response Sept 2019
Functional	52		AR 8.2.1	An appropriate risk register was available for inspection. We note the risk register was last updated on 6 November 2017.	Internal Control			Maintaining risk registers for all identified risks is important to help ensure significant or high risks are adequately treated. Routine (at least quarterly) review of the risk register is required to assist in ensuring identified risk are adequately treated.	Risk	Has been updated for Identified Risks - again some are questionable. Bigger risks to Shire need to be included. E.g. law and Order - safety for staff to attend alarm callouts etc	Currently used for reported risks on Council decisions taken - less so for potential risks for decisions not taken.			
OSH Register														
Functional	53		AR 8.2.2	OSH incident forms are completed by staff and lodged with the OSH officer. No reporting of OSH incident numbers to the Audit and Risk Committee is currently occurring.	OSH Incident Internal control			Maintain an OSH incident register and report OSH incident numbers to the Audit and Risk Committee.	HR	Reports are now being put through the OSH Committee process. Minutes of OSH Committee go to full Council.	Ongoing - as per last report.			
Delegations Register														
Functional	54		AR 8.2.3	A number of items recorded in the delegation's register are responsibilities of the CEO and not decisions of Council delegated to the CEO.	Internal control breakdown and compliance breach			Review Council delegations to the CEO to ensure they relate to decisions of Council delegated to the CEO and update the register accordingly.	Council	Actions described as delegations that are role of CEO have been removed.	Completed last report			
Tender Register														
Functional	55		AR 8.2.4	We noted Tender 2018-03 closed on 25 April 2018 yet has not been recorded as awarded or cancelled.	Internal control breakdown and compliance breach			Where tenders are cancelled or not awarded, the tender register should be updated accordingly.	Procurement	Procedure - Done	Noted - ongoing			
Customer Complaints Procedures														
Entity Wide	56		AR 8.4.1	No procedures exist, or register maintained to follow up and ensure all complaints are adequately addressed.	Internal and Compliance risks not identified			To help ensure all complaints are adequately resolved, a register of complaints received should be maintained.	Complaints	Complaints register exists via records system - still checking on validity of this format to meet requirements and as a means to ensure complaints get actioned and completed.	Completed - Updated with all complaints - file reference holds all investigation reports, statements etc.			
Official Complaints Register														
Entity Wide	57		AR 8.4.2	No official register was available for inspection.	Internal and Compliance risks not identified			To ensure compliance with the Act, an official complaints register should be maintained.	Complaints	Complaints Register system still being finalised.	Completed			
Internal Audit														
Entity Wide	58		AR 8.5.1	Currently, no internal auditors have been appointed and limited internal audit functions have been undertaken.	Internal and Compliance risks not identified			To confirm adherence to documented policies and procedures and assist in the identification of internal control weaknesses an internal audit function is required to be established.	Internal Controls	A significant focus on compliance has shifted need for internal audit. Existing finance, HR, Corp Services and governance staff have capacity to do checks internally. Am of the view that this is overkill for Shire size of HC. Planning to save on the checkers and just do the work.	Compliance Calendar processes have greatly improved performance in terms of Internal Control - CEO plays greater role in Internal Control via reduced delegation, more Policy and Procedures, better communication to staff about processes. Ongoing			
Financial Management Review														
Functional	59		AR 8.5.2	Financial Management Review undertaken in June 2016 made eight recommendations to improve the Financial Management of the Shire with one item rated as high risk.	Financial Loss and Breakdown of Internal Control			One item identified within the Financial Management Review remains to be addressed.	Integrated Planning	Required to do new Financial Review in 2019. Will see the results of that to determine action required.	Auditors have indicated that they will require Financial Review by October during main audit. Finalisation still in progress and should be ready for Audit.			
Previous Audit Regulation 17 Reviews														

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019
Shire of Halls Creek - Risk Assessment

Context of assessment	Item	DLG Ref	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Mitigation and Management Strategy (Possible Future Controls)	Category	Shire Response March 2019	Shire Response June 2019	Dept LGC Response June 2019	Shire Response Sept 2019	Dept LGC Response Sept 2019
Entity Wide	60		AR 8.5.3	Previous review made no recommendations in relation to the appropriateness and effectiveness of risk management, internal control and legislative compliance.	Internal and Compliance risks not identified		Poss	Ensure the review identifies operational and financial risk, control weaknesses and compliance weaknesses.	Internal Controls	Shall do.	Shall do			
OSH Register														
Functional	61		AR 8.5.4	An audit was undertaken by an independent party in November 2017. According to staff representations, the OSH Management Plan is yet to be implemented.	Previously identified risks are not adequately treated.		Lik	Proceed with implementation of the OSH Management Plan and ensure all previously identified OSH matters have been adequately addressed.	HR	OSH staff member has been appointed to bring focus to the implementation of the OSH Plan. Additionally, new staff at depot have brought significant OSH focus. Believe both Induction and OSH training have improved as a result of additional focus. LGIS have been booked to do an OSH assessment late 2019 or 2020.	Staff member now commenced in role to bring focus on OSH in organisation. OSH inspections and training now being planned. Pleasingly, new Works Supervisor has implemented excellent OSH processes with depot crew (one of the major areas of concern) and the improvement in this functional area of the Shire has been excellent. Looking forward to see what other improvements will take place. LGIS OSH report planned for second half of 19/20 - previous score 20/100 - but sure this will be well and truly exceeded on next occasion. OSH			

Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

APPENDIX 6.1.2B

SHIRE OF HALLS CREEK
IMPLEMENTATION ACTION PLAN

Item No.	Recommended Improvement	Action	Priority			Target Completion Date	Shire's Comments - As at 30th June 2019
			High	Med	Low		
From Moore Stephens Report – "Review of Risk Management, Legislative Compliance and Internal Controls"							
1	Procurement - Policy Review	Review of ADM 21 including matters identified in section 6.2 of The Review of Risk Management, Legislative Compliance and Internal Controls (Reg 17 Review). Covered in Items 10 & 11 in CCC Action Plan. Includes procurement exceeding \$150k, variations, extensions, price variations, anti-avoidance and pre-qualified suppliers.				30/04/2019	Council Resolution 2019/060 adopted the new Policy Manual which came into effect on the 1 July 2019. Shire approach will be to add and amend Policies as required throughout year and undertake review in June of each year. Matters detailed in this item addressed by the various policies. Procurement Policy A11 - Item now complete
2	Procurement - Procedures	Evidence of compliance to ADM 21 should be with PO				30/04/2019	Procurement Policy A11 - Item now complete
3		WALGA approved suppliers contracts over \$150k				30/04/2019	Procurement Policy A11 - Item now complete
1		Process to ensure invoices are at contracted rates to be confirmed by officers with the appropriate authority				30/04/2019	Procurement Policy A11 - Item now complete
2		Control of works undertaken on the base of unit rate contracts should remain with accountable Shire staff, to ensure expenditure remains in line with budget provisions and is appropriately authorised.				30/04/2019	Procurement Policy A11 - Item now complete
		Procedures for the authorisation of any contract variations should be developed to ensure the variations do not change the scope of the contract, are minor and are authorised by officers with appropriate authority.				30/04/2019	Procurement Policy A11 - Item now complete
		Procedures assessing tenders should be followed and documented with at least three persons assessing the tender independently of each other. Persons assessing any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence.				30/04/2019	Procurement Policy A11 - Procurement Plan provides for process in determining Tenders and quotes - Item now complete
		When assessing responses to requests for quotation the process undertaken should be documented. The level should be scaled depending on the value or risk associated with the purchase, with the higher the value or risk, the higher the level.				30/04/2019	Procurement Policy A11 - Item now complete
		Purchases over \$150,000 should be subject to the same assessment procedures as those applied to tenders in instances where an exemption from calling tenders exists.				30/04/2019	Procurement Policy A11 - Item now complete
		To help ensure all contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be developed, and records maintained of suppliers who have provided all relevant documentation.				30/04/2019	Procurement Policy A11 - Item now complete - checks ongoing after Tender acceptance
4	Procurement - Training	Given staff turnover levels, training should be scheduled with sufficient regularity to ensure all officers have received adequate training.				30/12/2019	Procurement training for staff in two day WALGA training on 19 August 2019. Specialist WALGA Cert IV training planned in September 2019 for Director Corp. Services.
5	HR - Review STF 36	Review and amend the Policy (STF 36) to require the CEO to seek Council approval of leave and for Council to appoint an Acting CEO. Where circumstances do not permit this to occur prior to the leave being taken, a report to Council should be prepared clearly detailing leave taken by the CEO as soon as practically possible after leave is taken.				15/11/2018	Now Policy HR 5

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019

6	HR - Review STF30	Review and amend the Policy to remove thresholds and require management to manage staff leave levels. Consider providing the audit and risk committee routine reports on staff leave levels to provide oversight of the effectiveness of management of staff leave liabilities.			30/04/2019	HR 3 requires CEO to establish systems, procedures and processes to support staff. Procedure on Alternate Working Arrangements now in force.
7	HR - Training	Develop a staff training matrix, to identify staff training needs relevant to their role. This will assist in a co-ordinated approach across the organisation.			31/12/2019	As part of staff review June and December each year.
13	Integrated Planning - SCP	Review of SCP required			1/12/2019	Planning for SCP second half 2019
14	Integrated Planning - CPB	CPB to be reviewed annually			1/12/2019	Planning for CPB second half 2019
15	Integrated Planning - AMP	On the next review of the asset management plans undertake risk assessments in accordance with the Risk Management Policy & Framework.			1/12/2019	Risk Management framework being used in most work processes - will be used to assess Asset risk. Policy A17 applies.
16	Complaints - Review STF 26 (Anti-Discrimination, Harassment & Bullying)	Review and amend the Policy to empower other senior officers to investigate and report complaints raised against the CEO or for Council to be informed through the Shire President and engage independent persons to investigate if required.			30/04/2019	Policy A6 applies
17	Complaints - Review ADM 8	Review and amend the Policy to provide a mechanism for the handling and resolution of complaints regarding the CEO.			30/04/2019	Wrapped into Policy A6
18	Complaints - Code of Conduct Review	Review the Code of Conduct to provide for the lodging of complaints.			30/04/2019	Policy A1 - Code of Conduct - Complaints item included
19	Complaints - Code of Conduct Review	Review the Code of Conduct to extend it to cover contractors and provide for the lodging of complaints.			30/04/2019	Policy A1 - Includes Contractors and complainants
26	Risk - Review	Policy requires more routine assessment of risks undertaken to identify and treat the risks associated			30/06/2019	Policy A17 applies -
27		Modification of the risk assessment and acceptance criteria within the Risk Management Framework will assist in the rating of risks, relevant to the context of the assessment. This would involve use of percentages rather than absolute values, when assessing the potential consequences of identified risks and avoid any need to redefine the risk assessment framework for different risk assessment contexts.			30/06/2019	Policy A17 applies -
30	Risk - ICT Strategic Plan	Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level.			30/04/2019	ICT Strategic Plan completed. SoHC IT now in Cloud - major risk averted. Insurance cover updated.
31	Procedures - Change	Establish procedures for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation to assist with managing changes to procedures.			30/06/2019	Single point of reference - Director Executive Services. All changes channelled through this position following Management team assessment
32	Procedures - Create Documentation	Opportunities exist to improve standard operating procedures and ensure they are documented with key controls clearly identified. Once these procedures are developed and implemented, they require constant monitoring for adherence and to ensure			30/06/2019	Single point of reference - Director Executive Services. All changes channelled through this position following Management team assessment
33		Creation and maintenance of standard checklists may assist in evidencing key points of control and serve as a reminder. Checklists are of assistance in ensuring compliance with repetitive legislative compliance tasks.			30/06/2019	Single point of reference - Director Executive Services. All changes channelled through this position following Management team assessment. Compliance Calendar used as link into the must do processes - report on achievement to Audit Committee
34		In conjunction with, or as an alternative to, the development of documented procedures and checklists, update and development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.			30/06/2019	Ongoing
35	Procedures - IT Disaster	Documented procedures to be followed in the event of an IT disaster should assist in minimising the amount of data loss and time to recover.			30/06/2019	Addressed in ICT Strategic Plan - Shire electronic records now moved to Cloud offsite. Risk assessment completed as part of ICT Strategic Plan.
36	Legislative Compliance - New Policy	Development and adoption of a legislative compliance policy will help formalise Council's commitment to legislative compliance.			N/A	Compliance Calendar provides surety that compliance items not being overlooked - policy use will not achieve what monthly review by Management team can

Late Item Agenda for Ordinary Meeting of the Council to be held on 25 July 2019

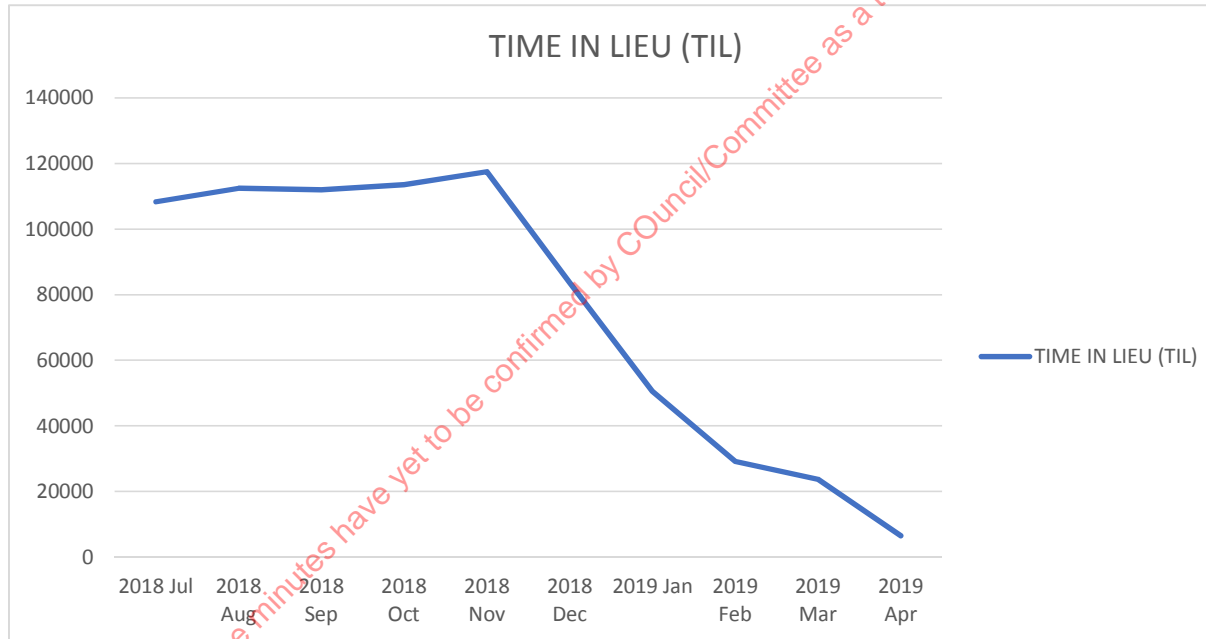
37	Yarliyil - Full Review	A full review of procedures and controls is required to determine practical procedures, documentation and controls for the sale of art on a commission basis. Procedures should ensure compliance with the regulatory requirements in relation to the setting of fees and charges and protect the Shire from any possible claims from artists.			31/12/2019	Risk eliminated. Yarliyil now removed from Shire books as of 1 July 2019 - stand alone organisation. Shire has lease Agreement over building.
38	Post Office - Full Review	A full review of procedures and controls is required to determine practical procedures for the operation and oversight of the Post Office, to ensure compliance and minimise risks.			31/12/2019	Will consult with Auditor in regards treatment of Post Office now that OAG taking over audits. May result in more significant changes
39	Internal Controls - New Policies	Development and adoption of an internal control policy covering the entire organisation will help formalise Council's commitment to internal controls, based on risk management principles.			N/A	Single point of reference - Director Executive Services. All changes channelled through this position following Management team assessment and/or Council adoption of Policy. Risk register also maintained via this position.
40		Internal audit function is required to be established.			30/06/2019	New Compliance Calendar to provide surety that compliance items are not being overlooked. Compliance is a monthly report to the Management team and a quarterly report to the Audit Committee.
42	Council - CEO Delegations	Review Council delegations to the CEO to ensure they relate to decisions of Council delegated to the CEO and update the register accordingly.			Dec 2018 and review by 30/6/2019	Initial review completed with Delegations reaffirmed by Council Dec 2018. Following Policy Manual review by 30 June 2019 - delegations will again be reset in new format. With policy now effective - 1 July 2019, Delegation Register under Review to see that it aligns with new Policies and procedures. Should be completed August 2019.
43						
44						
45						

Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

APPENDIX 6.1.3A

Employee_No (All)

Sum of Amount_ (Entitled		Leave_Name	
Years	Month	TIME IN LIEU (TIL)	Month End Balance
2018	Jul	\$ 108,394.01	\$ 108,394.01
	Aug	\$ 112,478.14	\$ 112,478.14
	Sep	\$ 112,030.80	\$ 112,030.80
	Oct	\$ 113,526.37	\$ 113,526.37
	Nov	\$ 117,570.35	\$ 117,570.35
	Dec	\$ 83,629.46	\$ 83,629.46
2019	Jan	\$ 50,547.89	\$ 50,547.89
	Feb	\$ 29,163.82	\$ 29,163.82
	Mar	\$ 23,754.20	\$ 23,754.20
	Apr	\$ 6,569.77	\$ 6,569.77
	May	\$ 382.79	\$ 382.79



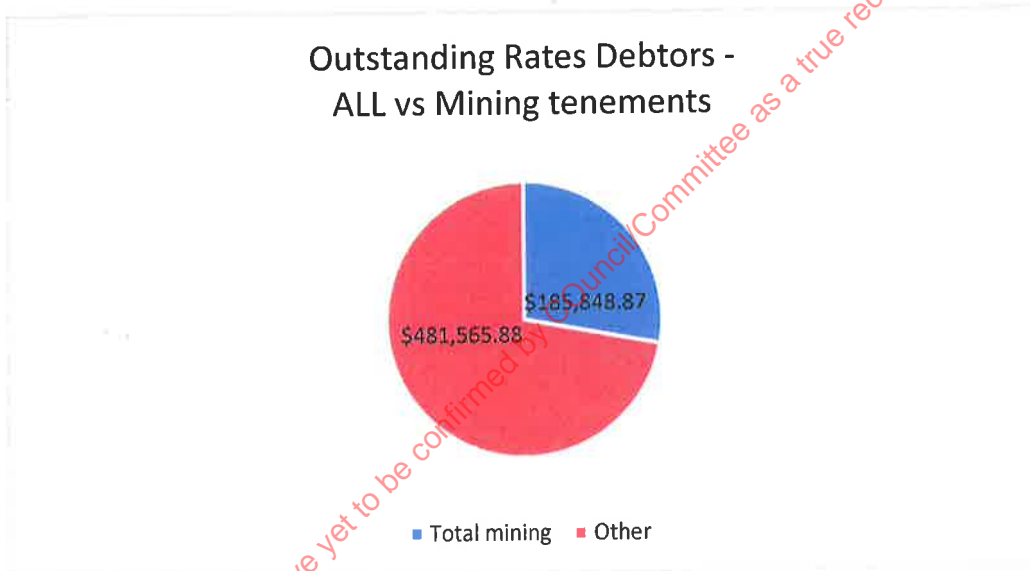
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APPENDIX 6.1.3B

Supplier	2016/17	2017/18	YTD 2018/19 (20.3.19)	Total	Contract / Tender Y or N	Tender/Contract Details
Aerodrome Management Services Pty Ltd	\$ 400,683.64	\$ 359,770.29	\$ 207,361.76	\$ 967,815.69	Yes	
AVANTGARDE TECHNOLOGIES PTY LTD	\$ 110,797.50	\$ 134,337.50	\$ 3,866.50	\$ 249,001.50	Tender	
BOAB CLEANING (MEGAN KILDEY)	\$ 161,904.25	\$ 208,093.76	\$ 161,904.25	\$ 531,902.26	Contract	
Danny Calwyn Pty Ltd	\$ 495,121.00	\$ 575,707.48	\$ 193,564.17	\$ 1,264,392.65	??	
Downer EDI Works Pty Ltd	\$ -	\$ 306,994.40	\$ -	\$ 306,994.40	Contract	
Fourier Tech Pty Ltd	\$ 94,715.28	\$ 98,116.79	\$ 79,433.58	\$ 272,265.65	Yes	\$6,096.88 pm.
Greenfield Tech Services (Roadstone West Pty Ltd)	\$ 79,755.54	\$ 116,755.11	\$ 98,873.38	\$ 295,384.03	No Contract	No contract
Greenfield Tech Services (K & M Family Trust)	\$ 75,256.82	\$ -	\$ -	\$ 75,256.82	No Contract	No contract
Guerinoni Nominees Pty Ltd	\$ 1,885,288.30	\$ -	\$ -	\$ 1,885,288.30	Tender	Tender
Halls Creek Service Station	\$ 704,018.88	\$ 89,795.93	\$ 37,376.79	\$ 831,191.60	No Contract	
Halls Creek Service Station (Baz Industry)	\$ 107,368.23	\$ 100,139.77	\$ 69,619.60	\$ 277,127.60	No Contract	
HARVEY PAINTING SERVICES	\$ 94,586.00	\$ 58,194.00	\$ 10,462.00	\$ 163,242.00		
HOUSEMASTER CONSTRUCTIONS PTY LTD	\$ 43,059.50	\$ 121,682.00	\$ 3,949.00	\$ 168,690.50		
IT Vision	\$ 33,171.60	\$ 74,943.66	\$ 61,016.12	\$ 169,131.38		
KOMATSU AUSTRALIA PTY LTD	\$ 256,153.70	\$ 28,680.39	\$ 10,041.28	\$ 294,875.37		
Salerno Law Pty Ltd	\$ 67,455.65	\$ 142,908.65	\$ 1,410.00	\$ 211,774.30		
TONY'S PLUMBING & EXCAVATION	\$ 440,935.48	\$ 2,057.00	\$ -	\$ 442,992.48		
TOTAL POWER ELECTRICAL PTY LTD	\$ 95,699.83	\$ 112,978.80	\$ -	\$ 208,678.63		

APPENDIX 6.1.3C

mapping	\$667,414.75	
overdue rates	\$667,414.75	
outstanding debtors	\$667,414.75	
Total mining	\$185,848.87	28%
Other	\$481,565.88	72%
	\$667,414.75	



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Analysis of Rate debtors as at 27/6/19

Total Overdue Rates	<u>\$ 667,414.75</u>	
Total Mining & Exploration	\$ 185,848.87	28%
Other - Non Mining	<u>\$ 481,565.88</u>	72%
	<u>\$ 667,414.75</u>	

52 accounts owe >\$5,000 \$ 580,253.64 **87%**

Mining & Exploration \$ 131,080.73 **23%**
 Non Mining \$ 449,172.91 **77%**

Top Rural UV \$ 64,533.44
 2nd UV \$ 20,862.96
 Town GRV \$ 38,416.80
 2nd Town GRV \$ 17,188.30
 3rd Town GRV \$ 14,658.09

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Number	Assess No	Vg Number	Description	Total Balance	TENEMENT	Comments
1	A106	747263	TOWN IMPROVED GRV	\$ 10,608.12	0	HALLS CREEK ABORIGINAL CORPORATION
2	A1131	747060	TOWN IMPROVED GRV	\$ 10,059.40	0	HALLS CREEK ABORIGINAL CORPORATION
3	A1475	1214376	NON-RATEABLE	\$ 24,510.75	MINING UV	YNEMA
4	A1476	1214382	MINING UV	\$ 28,532.55	MINING UV	KIMBERLY RESOURCES LTD
5	A1887	1214452	MINING UV	\$ 13,237.25	MINING UV	GARNET HILLS PTY LTD
6	A36	0	NON-RATEABLE	\$ 13,861.65	0	KOONGIE ELVIRA ABORIGINAL CORPORATION
7	A372	747255	TOWN IMPROVED GRV	\$ 17,188.30	0	RIVERS
8	A4213	1742630	TOWN IMPROVED GRV	\$ 38,416.80	0	RUBY QUEEN PTY LTD
9	A449	747062	TOWN IMPROVED GRV	\$ 14,658.09	0	HALLS CREEK ABORIGINAL CORPORATION
10	A4672	1081293	RURAL UV	\$ 20,862.96	0	KOONGIE ELVIRA ABORIGINAL CORPORATION
11	A4674	1728072	RURAL UV	\$ 64,533.44	0	YEEDA PASTORAL COMPANY PTY LTD
12	A475	747151	TOWN IMPROVED GRV	\$ 27,200.52	0	ROBERTS
13	A4814	2058391	EXPLORATION UV	\$ 12,271.26	EXPLORATION UV	HAMELIN RESOURCES PTY LTD
14	A503	747093	TOWN IMPROVED GRV	\$ 11,778.54	0	HALLS CREEK ABORIGINAL CORPORATION
15	A992	1214345	MINING UV	\$ 37,975.75	0	ARLUNGA EXPLORATION PTY LTD - probably dead tenements
				<u>\$ 345,695.38</u>	52% of total rate debtors	
Total				\$ 47,104.15		HALLS CREEK ABORIGINAL CORPORATION

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These minutes have been confirmed by Council/Committee as a true record of proceedings

APPENDIX 6.1.3D

A4213 - 184 GREAT NORTHERN HIGHWAY -

	Rates & Int	Licence	Refuse	Total
Payment per bank statement on 28/6/19	\$ 38,689.47	\$ 700.00	\$ 5,498.80	\$ 44,888.27
O/s Billing	\$ 20,426.51	\$ 700.00	\$ 5,498.80	\$ 26,625.31
Interest	\$ 18,262.96			\$ 18,262.96
	<u>\$ 38,689.47</u>	<u>\$ 700.00</u>	<u>\$ 5,498.80</u>	<u>\$ 44,888.27</u>

Credit in bank sighted on 28/6/2019

Please Note - These minutes have yet to be confirmed by Council/Committee as a true record of proceedings

APPENDIX 6.1.3E

Reference	Statement Date	Merchant Name	User Name	Surname	First Name	Employee Id	Unit Id	Amount	Dispute
MasterCard	26/06/2019	SWAN TAXIS 13 13 30	DES	Gill	Kellie	119	ADMIN	\$ 15.80	
MasterCard	17/12/2018	DROPBOX*RMFHZR93NQFY	DHRS	Mono	Musa	590	REGULATO	\$ 152.90	Dispute
MasterCard	3/06/2019	Office National Broom	DHRS	Mono	Musa	590	REGULATO	\$ 20.40	
MasterCard	5/06/2019	HLLSCRK KIMBERLEY HT	DHRS	Mono	Musa	590	REGULATO	\$ (40.00)	
MasterCard	27/05/2019	HALLS CREEK IGA EXPQPS	DIA	Burgess	Phil	36	ASSET MAN	\$ 15.03	
MasterCard	29/05/2019	ORDCO	DIA	Burgess	Phil	36	ASSET MAN	\$ 2,538.80	
MasterCard	30/05/2019	COLES EXPRESS 6952	DIA	Burgess	Phil	36	ASSET MAN	\$ 104.69	
MasterCard	3/06/2019	POST HALLS CREEK LPOHA	DIA	Burgess	Phil	36	ASSET MAN	\$ 193.60	
MasterCard	6/06/2019	SHIRE OF HALLS CREEK	DIA	Burgess	Phil	36	ASSET MAN	\$ 44.70	
MasterCard	25/06/2019	DOON DOON ROADHOUSE	DIA	Burgess	Phil	36	ASSET MAN	\$ 100.01	
MasterCard	26/06/2019	CGL FUEL PTY LTD	DIA	Burgess	Phil	36	ASSET MAN	\$ 93.24	
MasterCard	7/02/2019	WWW.PELIKAN.CZ(CZ1)	DYCD	Glass	Margaret	109	OLABUD DI	\$ 1,463.75	
MasterCard	24/06/2019	FRAUD REVERSAL	DYCD	Glass	Margaret	109	OLABUD DI	\$ (1,463.75)	
MasterCard	8/02/2019	vtup.com*Eminov Elm	DYCD	Glass	Margaret	109	OLABUD DI	\$ 114.61	
MasterCard	24/06/2019	FRAUD REVERSAL	DYCD	Glass	Margaret	109	OLABUD DI	\$ (114.61)	
MasterCard	13/03/2019	RLSSWA	DYCD	Glass	Margaret	109	OLABUD DI	\$ 74.80	
MasterCard	3/04/2019	RLSSWA	DYCD	Glass	Margaret	109	OLABUD DI	\$ 56.10	
MasterCard	11/06/2019	D.J. CITY	DYCD	Glass	Margaret	109	OLABUD DI	\$ (0.03)	
MasterCard	19/06/2019	POINCIANA ROADHOUSE	DYCD	Glass	Margaret	109	OLABUD DI	\$ 48.50	
MasterCard	20/06/2019	COLES EXPRESS 6952	DYCD	Glass	Margaret	109	OLABUD DI	\$ 10.00	
MasterCard	27/06/2019	REGAL SPORTSWEAR PTY	DYCD	Glass	Margaret	109	OLABUD DI	\$ 92.95	
MasterCard	26/06/2019	HALLS CREEK HOME	TTM	Niven	Natasha	180	TRAVEL & T	\$ 19.98	
								\$ 3,541.47	

C:\Users\fm\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\1PJ5VD3K\transactions-by-user-report
 Page 42 of 43 - These minutes have yet to be confirmed by the Committee and a true record of proceedings

APPENDIX 6.1.3F

Account EnquiryGLBALS Grid1

Acct Code	Account	Current Budget	Actual	Variance \$
1001083420	COACH PARK CLEANING Mun	\$ 8,640.00	\$ 6,322.00	2318.00
1001101900	CLEANING CONTRACTOR - CIVIC HALL Mun	\$ -	\$ -	0.00
1001151900	CONTRACT CLEANING - AQUATIC & RECREATION CENTRE DRY & WET SIDE Mun	\$ 47,401.81	\$ 33,354.31	14047.50
1001282620	AIRPORT - TERMINAL CLEANING EXPENSES Mun	\$ -	\$ -	0.00
1001282730	AIRPORT - LANDSIDE OFFICE CLEANING Mun	\$ -	\$ -	0.00
1001301900	CONTRACT CLEANING - TRAVEL & TOURISM CENTRE Mun	\$ 5,000.00	\$ 7,785.91	-2785.91
1001341900	CLEANING - POST OFFICE Mun	\$ 10,000.00	\$ 9,070.00	930.00
1004101900	CONTRACT CLEANING - COUNCIL CHAMBERS Mun	\$ 5,184.00	\$ 3,415.92	1768.08
1004211900	CONTRACT CLEANING - ADMINISTRATION Mun	\$ 471.45	\$ 15,046.45	-14575.00
1008511500	CONTRACT CLEANING - DROP IN CENTRE Mun	\$ -	\$ -	0.00
125315	STREET CLEANING	\$ -	\$ -	0.00
149816	PROFESSIONAL CLEANING - YARLIYIL	\$ 3,710.00	\$ 1,521.82	2188.18
	* Total *	\$ 80,407.26	\$ 76,516.41	3890.85