

# **Audit & Risk Management Committee Meeting Minutes**

*21 March 2023*

*5.00pm*

1	OPENING & ANNOUNCEMENT OF VISITORS .....	2
2	ANNOUNCEMENTS OF PRESIDING MEMBER.....	2
3	ATTENDANCE RECORD .....	2
3.1	Present.....	2
3.2	Apologies.....	2
3.3	Leave of Absence Previously Granted .....	2
4	DECLARATIONS OF INTEREST .....	2
5	MINUTES OF PREVIOUS MEETINGS .....	2
5.1	Audit & Risk Management Committee Meeting – 7 February 2023 .....	2
6	REPORTS.....	3
6.1	Shire of Dalwallinu Audit & Risk Management Committee Risk Dashboard Report* .....	3
7	SCHEDULING OF MEETING.....	4
8	CLOSURE .....	4
9.	CERTIFICATION.....	4



## **SHIRE OF DALWALLINU**

**MINUTES** of the Audit & Risk Management Committee Meeting of Council held in the Council Chambers, Shire Administration Centre, Dalwallinu on Tuesday 21 March 2023.

### **1 OPENING & ANNOUNCEMENT OF VISITORS**

The Chairperson opened the meeting at 5.04pm.

### **2 ANNOUNCEMENTS OF PRESIDING MEMBER**

### **3 ATTENDANCE RECORD**

#### **3.1 Present**

Mr I Hyde

Cr KL Carter

Cr SC Carter

Cr NW Mills

Chief Executive Officer

Mrs JM Knight

#### **3.2 Apologies**

Cr MM Harms

Manager Corporate Services Mrs Ally Bryant

#### **3.3 Leave of Absence Previously Granted**

Nil

### **4 DECLARATIONS OF INTEREST**

Nil

### **5 MINUTES OF PREVIOUS MEETINGS**

#### **5.1 Audit & Risk Management Committee Meeting – 7 February 2023**

##### **MOTION**

Moved Cr NW Mills

Seconded Cr KL Carter

That the Minutes of the Audit & Risk Management Committee Meeting held on the 7 February 2023 be confirmed.

**CARRIED 4/0**



## 6 REPORTS

### 6.1 Shire of Dalwallinu Audit & Risk Management Committee Risk Dashboard Report\*

<b>Report Date</b>	21 March 2023
<b>Applicant</b>	Shire of Dalwallinu
<b>File Ref</b>	FM/9 – Financial Management – Financial Reporting
<b>Previous Meeting Reference</b>	Nil
<b>Prepared by</b>	Ally Bryant, Manager Corporate Services
<b>Supervised by</b>	Jean Knight, Chief Executive Officer
<b>Disclosure of interest</b>	Nil
<b>Voting Requirements</b>	Simple Majority
<b>Attachments</b>	Shire of Dalwallinu Risk Dashboard Report March 2023

#### **Purpose of Report**

The Audit & Risk Management Committee is requested to note the actions in the Risk Dashboard Report March 2023.

#### **Background**

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of control and appropriateness of treatment/action, it can be determined if the organisation's resources are being put to the best use possible.

#### **Consultation**

Chief Executive Officer

#### **Legislative Implications**

##### State

*Local Government (Audit) Regulations 1996 s16 and s17*

#### **Policy Implications**

Nil

#### **Financial Implications**

Nil

#### **Strategic Implications**

*Shire of Dalwallinu Strategic Community Plan 2017-2027*

Outcome 4.4.5 - Strive to ensure "best practice" local governance is maintained.

#### **Site Inspection**

Site inspection undertaken: Not applicable

#### **Triple Bottom Line Assessment**

##### Economic implications

There are no known significant economic implications associated with this proposal.



Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

**Officer Comment**

The Risk Dashboard Report shows a snapshot of our current recognised risks and the current issues, actions and treatments for each risk. Following the snapshot is a detailed description of each risk and the potential causes, key controls and indicators for each risk.

This report is provided to the Audit & Risk Management Committee to ensure that the organisation is monitoring and controlling all risks.

**Officer Recommendation**

That the Audit & Risk Management Committee receives the Risk Dashboard Report for March 2023.

**Resolution**

**MOTION**

Moved Cr NW Mills  
Seconded Cr SC Carter

That the Audit & Risk Management Committee receives the Risk Dashboard Report for March 2023.

**CARRIED 4/0**

**7 SCHEDULING OF MEETING**

The next Audit & Risk Management Committee Meeting will be held on 20 June 2023 at 5.00pm.

**8 CLOSURE**

There being no further business, the Chairperson closed the meeting at 5.19pm.

**9. CERTIFICATION**

I, Ian William Hyde, certify that the minutes of the Audit & Risk Management Committee meeting held on the 21 March 2023 as shown on pages 1 to 28 were confirmed as a true record at the meeting held on 26 September 2023.

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\_\_\_\_\_  
CHAIRPERSON

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\_\_\_\_\_  
DATE



# Shire of Dalwallinu

## Risk Dashboard Report

### Mar-23

Misconduct		Risk	Control	External Theft & Fraud		Risk	Control
		Low	Effective			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Review Purchasing Policy and Procurement Process	Mar-23	CEO/MCS		Review Fraud & Corruption Control Plan	Jun-23	CEO	
Review and Document Organisations Controls and Systems	Ongoing	CEO/MCS		Review Key Register Quarterly	Mar-23	TSO	
Centralise Checklists, Controls and Procedures	Ongoing	CEO/MCS		Implement Quarterly schedule for changing passwords	Jun-23	MCS	
Business Disruption		Risk	Control	Damage to Physical Assets		Risk	Control
		High	Effective			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Review Business Continuity Plan	Jun-23	CEO		All plant to have prestarts before each use or as instructed	Ongoing	All Staff	
Buisness Continuity Plan Annual Drill	Jun-23	CEO/MCS					
Admin Generator maintained and serviced monthly	Mar-23	WS					
Errors, omissions, delays		Risk	Control	Failure of IT &/or Communciations Systems and Infrastructure		Risk	Control
		Moderate	Effective			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Procedure Manuals to be tested regularly	Dec-23	MCS		Staged migration from Synergy to Altus commencing 22-23	Jun-23	MCS	
Failure to fulfil statutory, regulatory or compliance requirements		Risk	Control	Providing inaccurate advice/information		Risk	Control
		Low	Effective			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Corporate Governance Calendar Checklist to be monitored monthly	Jun-23	CEO					
Inadequate Project/Change Management		Risk	Control	Inadequate Organisation and Community Emergency Management		Risk	Control
		Moderate	Effective			Moderate	Adequate
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
				Lack of resources in LG		CEO	
Inadequate Document Management Processes		Risk	Control	Inadequate employee and visitor safety and security		Risk	Control
		Moderate	Adequate			Moderate	Adequate
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Undertake monthly records audits	Monthly	MCS		Check all contractors have been inducted prior to commencing work	ongoing	Management	
Annual Refresher for all Employees on Records Management	Sep-22	CEO					

# Shire of Dalwallinu

## Risk Dashboard Report

### Mar-23

<u>Inadequate engagement of Community/Stakeholders/Elected Members</u>		Risk	Control	<u>Inadequate Procurement, Disposal or Tender Practices</u>		Risk	Control
		Moderate	Adequate			Moderate	Adequate
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Review Communication Plan (every two years)	May-23	CEO		Annual Review of Purchasing Policy	Mar-23	CEO	
Review Community Engagement Plan (every two years)	May-23	CEO		Annual Review of Tender Register	Jun-23	EA	
<u>Inadequate Asset Management</u>		Risk	Control	<u>Inadequate Financial, Accounting or Business Acumen</u>		Risk	Control
		Moderate	Adequate			Moderate	Adequate
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Maintain training register	Jun-22	MWS					
Organise VOC's to be completed for all large plant	Jun-23	MWS					
Develop footpath plan for Dalwallinu and Kalannie townsites	Jun-23	MWS					
<u>Inadequate Natural Environmental Management</u>		Risk	Control	<u>Inadequate Stock Management</u>		Risk	Control
		Moderate	Adequate			Moderate	Adequate
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Complete an Audit on Sewerage System	Sep-23	MW/MPDS					
<u>Inadequate supplier/Contract Management</u>		Risk	Control	<u>Ineffective People Management</u>		Risk	Control
		Moderate	Adequate			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
				Review Performance Appraisal documentation	Mar-23	CEO	
				Review Workforce Plan	Jun-23	CEO	
<u>Ineffective management of Facilities/Venues/Events</u>		Risk	Control	<u>Not meeting Community expectations</u>		Risk	Control
		Moderate	Effective			Moderate	Effective
Current Issues/Actions/Treatments	Due Date	Responsibility		Current Issues/Actions/Treatments	Due Date	Responsibility	
Develop Event Management Framework	Sep-23	MPDS		Conduct Community Satisfaction Survey	Dec-23	CEO	
Public Buildings Inspected Annually for Compliance	Sep-23	MPDS					

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

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Inappropriate use of plant, equipment or machinery
- Inappropriate use of social media.
- Inappropriate behaviour at work.
- Purposeful sabotage

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

**Potential causes include:**

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Disgruntled employees	Sharing of confidential information
Lack of internal checks	Low level of Supervisor or Management oversight
Covering up poor work performance	Believe they'll get away with it
Poor enforcement of policies and procedures	Undue influence from Manager / Councillor
Information leaked to Tenderers during the Tender process	Poor work culture
Insubordination	By-passing established administrative procedures

Key Controls	Type		Rating
Delegated authority for procurement	Preventative		Effective
Delegation control / framework	Detective		Effective
External Audits	Detective		Effective
Police clearances	Detective		Effective
Annual drivers licence checks	Preventative		Effective
Cash handling policy and procedures	Preventative		Adequate
IT security access framework (profiles & passwords)	Preventative		Effective
Induction Process (Code of Conduct)	Preventative		Effective
Segregation of duties (Financial / I.T.)	Preventative		Effective
Social Media policy	Preventative		Effective
Strong management culture (Zero tolerance for misconduct)	Preventative		Effective
Insurance for loss	Recovery		Effective

**Overall Control Ratings:** Effective

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b>	Moderate (3)
Reputation / Finance	<b>Likelihood:</b>	Rare (1)
<b>Overall Risk Ratings:</b>		Low

Indicators	Type	Benchmark
Budget variances	Lagging	5%
Audit notifications	Lagging	Zero
Incidents warranting dismissal	Lagging	Zero
Wilful breach of segregation of duties	Leading	Zero
Suppliers not being paid or complaints from suppliers (not involved in collusion or bribery with staff)	Lagging	Zero
Disregarding or manipulating procurement process for own benefit	Leading	Zero
Internal and external complaints (PID)	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Purchasing Policy and Procurement Process	Mar-23	CEO/MCS
Review and Document Organisations Controls and Systems	Ongoing	CEO/MCS
Centralise Checklists, Controls and Procedures	Ongoing	CEO/MCS

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic), for the purposes of;  
 -Fraud: benefit or gain by deceit  
 -Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems  
 -Theft: stealing of data, assets or information

**Potential causes include:**

Inadequate security of equipment/supplies/cash	Inadequate provision for patrons belongings
Robbery	Lack of supervision
Scam Invoices	Collusion with internal staff
Cyber Crime	

Key Controls	Type		Rating
Building Security access controls (alarms, CCCTV, keypad access)	Preventative		<b>Effective</b>
Equipment storage security access controls (locked after hours and when unmanned)	Preventative		<b>Effective</b>
Cash handling processes	Preventative		<b>Effective</b>
Spare keys in strong room/key cabinet	Preventative		<b>Effective</b>
Stringent IT security systems	Preventative		<b>Effective</b>
Insurance for loss	Recovery		<b>Adequate</b>
Photographic record of assets	Recovery		<b>Effective</b>
Care when opening emails with attachments	Preventative		<b>Effective</b>
Fraud & Corruption Control Plan	Preventative		<b>Effective</b>

**Overall Control Ratings:** **Effective**

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b>	<b>Moderate (3)</b>
Reputation / Finance	<b>Likelihood:</b>	<b>Possible (3)</b>
<b>Overall Risk Ratings:</b>		<b>Moderate</b>

Indicators	Type	Benchmark
Cyber breaches	Lagging	Zero
Insurance Claims	Lagging	Zero
Number of incidents of theft or fraud	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Fraud & Corruption Control Plan	Jun-23	CEO
Review Key Register Quarterly	Mar-23	TSO
Implement Quarterly schedule for changing passwords	Jun-23	MCS

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

This includes;

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

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

## Potential causes include;

Cyclone, storm, fire, earthquake	Extended utility outage
Terrorism / sabotage / criminal behaviour	Economic factors
Epidemic / Pandemic	Loss of Key Staff
Loss of suppliers	Loss of key infrastructure
Climate change	

Key Controls	Type		Rating
Regular Local and District Emergency Management Committee meeting (LEMC/DEMC)	Detective		Effective
Community recovery preparation	Preventative		Effective
Community fire prevention education	Preventative		Effective
Current Emergency Management Plan	Preventative		Effective
Business Continuity Framework	Preventative		Effective
Generator (Admin centre)	Recovery		Adequate
IT Disaster Recovery Plan	Recovery		Effective
Insurance for Loss	Recovery		Effective
Generator (Rec Centre Precinct)	Recovery		Effective
<i>Overall Control Ratings:</i>			Effective

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Major (4)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	High

Indicators	Type	Benchmark
Missed LEMC/DEMC Committee meetings	Lagging	Zero
Non Compliance with EM legislation	Lagging	Zero
Resignations/terminations of key personnel	Lagging	

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Business Continuity Plan	Jun-23	CEO
Buisness Continuity Plan Annual Drill	Jun-23	CEO/MCS
Admin Generator maintained and serviced monthly	Mar-23	WS

Damage to buildings, property, plant & equipment (all assets) that does not result in a disruption to business objectives (refer Business Disruption). This could be a result of a natural disaster or other events, or an act carried out by an external party (inc graffiti and/or vandalism)

**Potential causes include:**

Cyclone, storm, fire, earthquake	
Vandalism	

Key Controls	Type		Rating
Locking of unmanned areas	Preventative		Effective
CCTV	Preventative		Effective
			Effective
			Effective
<i>Overall Control Ratings:</i>			Effective

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Moderate (3)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	

Indicators	Type	Benchmark
Damage to Physical Assets	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
All plant to have prestarts before each use or as instructed	Ongoing	All Staff

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Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. Examples include;

- Incorrect planning, development, building, community safety and Emergency Management advice
- Incorrect health or environmental advice
- Inconsistent messages or responses from Customer Service Staff
- Any advice that is not consistent with legislative requirements or local laws.
- Human error
- Inaccurate recording, maintenance, testing or reconciliation of data.
- Inaccurate data being used for management decision-making and reporting.
- Delays in service to customers

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

**Potential causes include;**

Human Error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure/stress
Poor use of procedures	Lack of understanding
Unrealistic expectations from community, council or management	Health issues
Poor internal communications between teams	Historical decisions/advice
Disconnect between financial receipting and systems	Complex legislation
Changes to legislation	

Key Controls	Type		Rating
Membership of professional associations	Detective		<b>Effective</b>
Complaints register	Detective		<b>Effective</b>
Documented information sheets / website information / FAQ's to assist in providing advice to customers	Preventative		<b>Effective</b>
External consultants such as legal	Preventative		<b>Effective</b>
External stakeholder communications (website, news articles)	Preventative		<b>Effective</b>
Staff training program (mentoring, formal & on-the-job)	Preventative		<b>Adequate</b>
Draw information from other Government agencies (DWER etc)	Preventative		<b>Effective</b>
Complaints resolution process	Recovery		<b>Effective</b>
Procedure Manuals tested by other Officers	Preventative		<b>Effective</b>
<i>Overall Control Ratings:</i>			<b>Effective</b>

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Minor (2)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	

Indicators	Type	Benchmark
Referral to Ombudsman/Management/Council	Lagging	Zero
Substantiated complaints regarding errors, omissions, delays or inaccurate advice/information	Lagging	Zero
Insurance Claims	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Procedure Manuals to be tested regularly	Dec-23	MCS
Review checklists for weekly/monthly tasks	May-23	MCS

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

-Hardware or software

-Networks

-Failures of IT Vendors

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

-Configuration management

-Performance monitoring

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

**Potential causes include;**

Weather impacts	Non renewal of licenses
Power outage on site or at service provider	Inadequate IT incidents, problem management & Disaster Recovery Processes
Out dated, inefficient or unsupported hardware or software	Lack of process and training
Incompatibility between operating systems	Vulnerability of user error
Cyber crime and viruses	Failure of vendor
Turnover of system administration support	Equipment purchases without input from IT department
Software vulnerability	

Key Controls	Type		Rating
Performance monitoring by contractor	Detective		Effective
Maintenance program	Preventative		Effective
Formal IT Infrastructure replacement / refresh program	Preventative		Effective
IT security access protocols and firewalls	Preventative		Effective
Service level agreement with contractor / Vendor	Preventative		Effective
Disaster Recovery Plan	Recovery		Adequate
Multiple data back-up systems	Recovery		Effective
Generator	Recovery		Effective
UPS (90min)	Recovery		Effective
Computer/Server/UPS Replacement Plan	Preventative		Effective
Moving Syerngy programs to Altus	Preventative		Adequate

**Overall Control Ratings:** Effective

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b>	Major (4)
	<b>Likelihood:</b>	Unlikely (2)
<b>Overall Risk Ratings:</b>		<span style="background-color: yellow; color: black; padding: 2px;">Moderate</span>

Indicators	Type	Benchmark
Cyber breaches	Lagging	Zero
Non availability of network infrastructure during business hours	Lagging	1 day per year
System downtime	Lagging	1 week

Current Issues / Actions / Treatments	Due Date	Responsibility
Staged migration from Synergy to Altus commencing 22-23	Jun-23	MCS

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes. This does not include: Issues in relation to WHS, procurement, HR based legislation

## Potential causes include:

Lack of training, awareness and knowledge	Lack of legal expertise		
Staff turnover	No Compliance Officer or person responsible for Compliance oversight and enforcement		
Inadequate record keeping/failure of corporate electronic systems	Breakdowns in the tender or procurement process		
Ineffective policies & processes	Ineffective monitoring of changes to legislation		
Impulsive decision making	Attitudinal problems		
Councillor turnover			

Key Controls	Type		Rating
Compliance Audit Return (DLGC)	Detective		Effective
External Auditor reviews (compliance)	Detective		Effective
Membership of professional associations (AIBS, Building Commission)	Detective		Effective
Strict tender and procurement process (including eQuotes)	Preventative		Adequate
Compliance framework / calendar & standard operating procedures	Preventative		Effective
Subscriptions (WALGA / DLGC / LGMA and other peak bodies)	Preventative		Effective
Audit Committee	Preventative		Effective
Standardised forms & checklists	Preventative		Adequate
State Administrative Tribunal / Ombudsman	Recovery		Adequate
Corporate Governance Calendar Checklist	Preventative		Effective

**Overall Control Ratings:** Effective

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b>	<span style="background-color: green; color: white; padding: 2px;">Moderate (3)</span>
Reputation / Finance	<b>Likelihood:</b>	<span style="background-color: green; color: white; padding: 2px;">Rare (1)</span>
<b>Overall Risk Ratings:</b>		<span style="background-color: green; color: white; padding: 2px;">Low</span>

Indicators	Type	Benchmark
Internal monitoring of operations and procedures	Leading	
Audit notifications	Leading	
Increased scrutiny from regulators or agencies	Lagging	
Litigation, fines or penalties	Lagging	

Current Issues / Actions / Treatments	Due Date	Responsibility
Corporate Governance Calendar Checklist to be monitored monthly	Jun-23	CEO

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff.

**Potential causes include;**

Unqualified staff	
Not following procedures	

Key Controls	Type		Rating
Employ qualified Staff	Preventative		<b>Effective</b>
Ensure staff are following procedures	Preventative		<b>Effective</b>

*Overall Control Ratings:* **Effective**

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Moderate (3)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	<b>Moderate</b>

Indicators	Type	Benchmark
Number of Complaints	Lagging	Zero
<b>Current Issues / Actions / Treatments</b>	<b>Due Date</b>	<b>Responsibility</b>

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

- Inadequate change management framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Inadequate handover process

*This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"*

**Potential causes include:**

Lack of communication and consultation	Excessive growth (too many projects)
Lack of investment	Inadequate monitoring and review
Ineffective management of expectations	Project risks not managed effectively
Inadequate project planning	Loack of project methodology knowledge and reporting requirements
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment/materials
External consultants underquoting on costs	Pandemic - escalating costs and contractor shortage

Key Controls	Type		Rating
Post-project debriefs	Detective		<b>Adequate</b>
Adhere to formal project management methodology	Preventative		<b>Not Rated</b>
Community engagement policy and framework	Preventative		<b>Adequate</b>
Preferred list of contractors	Preventative		<b>Adequate</b>
Risk assessments are conducted before, during and after handover	Preventative		<b>Not Rated</b>
Stakeholder meetings and consultation	Preventative		<b>Effective</b>
Follow Project Management Methodology	Preventative		<b>Effective</b>
Implement Risk Assessment Process for all Projects	Preventative		<b>Effective</b>
Photos are taken during projects and completed works	Recovery		<b>Effective</b>
<b>Overall Control Ratings:</b>			<b>Effective</b>

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b>	<b>Minor (2)</b>
	<b>Likelihood:</b>	<b>Possible (3)</b>
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Indicators	Type	Benchmark
Missed deadlines/milestones	Lagging	10%
Budget overruns/blow outs	Lagging	5%
Failed objectives	Lagging	Zero
Deviations from the project scope	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies.

**Potential causes include:**

Lack of (or inadequate) emergency response plans	Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident
--	--

Lack of training to specific individuals or availability of appropriate emergency response	Inadequacies in environmental awareness of fuel loads, curing rates etc
--	---

Key Controls	Type		Rating
Response Plans reviewed	Preventative		<b>Adequate</b>
Training for Staff	Preventative		<b>Not Rated</b>
<i>Overall Control Ratings:</i>			<b>Adequate</b>

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Minor (2)
	<i>Likelihood:</i>	Possible (3)
<i>Overall Risk Ratings:</i>		<b>Moderate</b>

Indicators	Type	Benchmark
Not well managed emergency	Lagging	zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Lack of resources in LG		CEO

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Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation. This includes:

- Contact lists.
- Procedural documents, personnel files, complaints.
- Applications, proposals or documents.
- Contracts.
- Forms or requests.

**Potential causes include:**

Spreadsheet/database/document corruption or loss	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed
Incompatible systems	Incomplete Authorisation Trails
Lack of awareness of the State Records Act	Lack of awareness of use of network drives and folders
Historical legacies	

Key Controls	Type		Rating
Record Keeping Plan	Detective		<b>Adequate</b>
Records training on Induction	Preventative		<b>Adequate</b>
Annual Refresher on Records Management	Preventative		<b>Not Rated</b>
Documentation Management Audits	Detective		<b>Effective</b>
Records Management Procedures	Preventative		<b>Adequate</b>
Archival processes	Preventative		<b>Adequate</b>
Document disaster recovery plan	Recovery		<b>Adequate</b>
Electronic records back up (Synergy)	Recovery		<b>Adequate</b>
Training for Staff	Preventative		<b>Adequate</b>
<i>Overall Control Ratings:</i>			<b>Adequate</b>

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	<i>Moderate (3)</i>
	<i>Likelihood:</i>	<i>Possible (3)</i>
	<i>Overall Risk Ratings:</i>	

Indicators	Type	Benchmark
Number of documents without relevant attachments	Leading	Zero
Number of outstanding records per month	Lagging	<10 per month
Complaints relating to lost documentation	Lagging	<2 per month

Current Issues / Actions / Treatments	Due Date	Responsibility
Undertake monthly records audits	Monthly	MCS
Annual Refresher for all Employees on Records Management	Sep-22	CEO

Non compliance with Work, Health & Safety (WHS) Regulations and physical security requirements

**Potential causes include:**

Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants in the provision of a working or business environment	Public Liability Claims, due to negligence or personal injury
Inadequate security protection measures in place for buildings, depots and other places of work	Employee Liability Claims due to negligence or personal injury

Key Controls	Type		Rating
Online and Part B Employee Inductions	Preventative		Adequate
Online and Part B Contractor Inductions	Preventative		Adequate
Online and Part B Volunteer Inductions	Preventative		Adequate
Sign in register in Admin Centre	Preventative		Adequate
Depot gates locked when no one in attendance	Preventative		Adequate

	<i>Overall Control Ratings:</i>	Adequate
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Consequence Category	Risk Ratings	Rating
	<i>Consequence:</i>	Moderate (3)
Reputation / Finance	<i>Likelihood:</i>	Unlikely (2)
	<i>Overall Risk Ratings:</i>	Moderate

Indicators	Type	Benchmark
Employee/Contractors/Volunteers with no completed induction	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Check all contractors have been inducted prior to commencing work	ongoing	Management

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# Inadequate engagement of Community/Stakeholders/Elected Members

Mar-23

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

- Following up on any access & inclusion issues
- Infrastructure Projects
- Local planning initiatives
- Strategic planning initiatives

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

## Potential causes include;

Relationship breakdowns with community groups	Short lead times
Leadership inattention to current issues	Miscommunication / poor communication
Inadequate documentation or procedures	Inadequate Regional or District Committee attendance.
Budget / funding issues	Inadequate involvement with, or support of community groups
Geographic distance	Media attention

Key Controls	Type		Rating
Advisory groups (as required)	Detective		Effective
Availability of staff for meetings on demand	Preventative		Effective
Community based forums and workshops	Preventative		Effective
Community Engagement Plan	Preventative		Effective
Communication Plan	Preventative		Effective

Overall Control Ratings:		Adequate
Consequence Category	Risk Ratings	Rating
Reputation / Finance	Consequence:	Minor (2)
	Likelihood:	Possible (3)
Overall Risk Ratings:		Moderate

Indicators	Type	Benchmark
Number of substantiated complaints referring to poor engagement	Lagging	Zero
Current Issues / Actions / Treatments	Due Date	Responsibility
Review Communication Plan (every two years)	May-23	CEO
Review Community Engagement Plan (every two years)	May-23	CEO

Failure in the procurement, acquisition, acceptance or disposal process for assets as governed by the Act.

**Potential causes include:**

Lack of formalised process to identify specific requirements prior to procurement	Acceptance of assets without reference to a formalised process to ensure correct receipt and/or notification of receipt
Disposing of P&E (either through sale or decommissioning) that did not meet expectations from either a time or financial perspective	Failures in the Tender process from RTF preparation, advertising, due diligence and awarding

Key Controls	Type		Rating
Council's Purchasing Policy	Preventative		Effective
Tender register	Detective		Effective
RFQ Register	Detective		Effective
Internal Audit by third party to the process	Detective		Effective

**Overall Control Ratings:** Adequate

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b> Minor (2)	
	<b>Likelihood:</b> Possible (3)	
	<b>Overall Risk Ratings:</b> Moderate	

Indicators	Type	Benchmark
Number of purchases not adhered to policy/process	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Annual Review of Purchasing Policy	Mar-23	CEO
Annual Review of Tender Register	Jun-23	EA

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Failure or reduction in service of infrastructure assets, plant, equipment or machinery.

These include fleet, buildings, roads, playgrounds, boat ramps and all other assets during their lifecycle from procurement to disposal. Areas included in the scope are;

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

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

**Potential causes include:**

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Key Controls	Type		Rating
Asset Management System (Synergy)	Detective		<b>Adequate</b>
Asset Management System (Roads - RAMM)	Detective		<b>Adequate</b>
10 Yr Plant Replacement Program	Preventative		<b>Effective</b>
Staff skills training and licencing	Preventative		<b>Effective</b>
10 Year Building Maintenance Plan	Preventative		<b>Effective</b>
Insurance for loss	Recovery		<b>Effective</b>
Routine maintenance program (roads, footpaths)	Preventative		<b>Effective</b>
Routine maintenance program (parks, reserves)	Preventative		<b>Effective</b>
Tender register	Detective		<b>Effective</b>
Staff training for all large plant	Preventative		<b>Adequate</b>
RFQ Register	Detective		<b>Effective</b>
Internal Audit by third party to the process	Detective		<b>Effective</b>

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

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b> Minor (2)	
Reputation / Finance	<b>Likelihood:</b> Possible (3)	
<b>Overall Risk Ratings:</b>		<b>Moderate</b>

Indicators	Type	Benchmark
Accidents and/or damage to equipment	Lagging	Zero
Breakdowns	Lagging	2 per month

Current Issues / Actions / Treatments	Due Date	Responsibility
Maintain training register	Jun-22	MWS
Organise VOC's to be completed for all large plant	Jun-23	MWS
Develop footpath plan for Dalwallinu and Kalannie townsites	Jun-23	MWS

Inadequate identification or quantification of financial exposure or risk associated with decisions to invest in land transactions, financial derivatives or investments or poor long term forecasting/assumptions.

**Potential causes include:**

Poor credit management (short or long term borrowing restricting capacity or flexibility)	Ineffective market analysis		
Ineffective Business Planning (poor scope/competition analysis)	Ineffective financial modelling, forecasting and projection techniques/processes		
<b>Key Controls</b>	<b>Type</b>		<b>Rating</b>
Project Plans for all projects	Preventative		<b>Adequate</b>

*Overall Control Ratings:* **Adequate**

<b>Consequence Category</b>	<b>Risk Ratings</b>	<b>Rating</b>
<b>Reputation / Finance</b>	<b>Consequence:</b> Minor (2)	
	<b>Likelihood:</b> Possible (3)	
<i>Overall Risk Ratings:</i>		<b>Moderate</b>

<b>Indicators</b>	<b>Type</b>	<b>Benchmark</b>
<i>Poor financial decisions</i>	Lagging	Zero
<i>Poor project planning</i>	Lagging	Zero
<b>Current Issues / Actions / Treatments</b>	<b>Due Date</b>	<b>Responsibility</b>

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Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;

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

#### Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Prolific extractive industry (sand, limestone, etc)	Competing land use (growing population vs conservation)
Poor management of contaminated sites	Weed and pest management difficulties
Clandestine drug labs disposing of chemicals illegally	Bio-diversity hotspots
Weather events / natural disasters	Fuel or chemical spills
Climate change	Illegal firewood collection / burning / hunting
Complex legislation	

Key Controls	Type		Rating
Soil and water testing	Detective		Adequate
Support environment and land care groups	Preventative		Effective
Conudct environmental health inspections	Preventative		Adequate
Litter collection schedules	Preventative		Adequate
Encourage recycling	Recovery		Effective

**Overall Control Ratings:** Adequate

Consequence Category	Risk Ratings	Rating
	<b>Consequence:</b> Minor (2)	
Reputation / Finance	<b>Likelihood:</b> Possible (3)	
	<b>Overall Risk Ratings:</b> <span style="background-color: yellow;">Moderate</span>	

Indicators	Type	Benchmark
Tonnes per capita recyclable generation	Leading	>5 Tonnes
Decline in vegetation cover	Lagging	5% since last GIS data set (12 years)
Number of validated environmental incidents	Lagging	5 per year
Complaints from environmental groups	Lagging	

Current Issues / Actions / Treatments	Due Date	Responsibility
Complete an Audit on Sewerage System	Sep-23	MW/MPDS

# Inadequate Stock Management

Mar-23

Lack of stock to ensure continuity of operations or oversupply of stock resulting in dormant (non performing) assets. Stock includes consumables, stationery, spare parts and other items used for operational purposes.

**Potential causes include;**

Incorrect recording on fuel usage sheets	Lack of stock management		
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Key Controls	Type		Rating
Fuel Audits	Detective		Adequate
Cleaning Materials Distribution List	Detective		Adequate
Stationery Monitoring	Detective		Adequate
<i>Overall Control Ratings:</i>			Adequate

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Minor (2)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	Moderate

Indicators	Type	Benchmark
<i>Not being able to account for monthly fuel discrepancies</i>	Lagging	<50 litres per month
<i>Cleaning materials utilised too quickly</i>	Lagging	Zero
<b>Current Issues / Actions / Treatments</b>	<b>Due Date</b>	<b>Responsibility</b>

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

- Concentration issues (contracts awarded to one supplier)
- Vendor sustainability

**Potential causes include:**

Insufficient funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining
Suppliers not willing to provide quotes	Limited availability of suppliers
Pandemic	

Key Controls	Type		Rating
Strict tender/procurement processes	Preventative		Effective
Utilise WALGA preferred supplier	Preventative		Effective
WHS Inductions	Preventative		Effective
Tender Register to monitor expiration dates	Detective		Effective

*Overall Control Ratings:* **Adequate**

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i> Moderate (3)	
	<i>Likelihood:</i> Unlikely (2)	
	<i>Overall Risk Ratings:</i> Moderate	

Indicators	Type	Benchmark
Number of expired contracts not yet renewed	Lagging	Zero
Tender processes not adhered to	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

This includes:

- Not having appropriately qualified or experienced people in the right roles.
- Insufficient staff numbers to achieve objectives.
- Breaching employee regulations.
- Discrimination, harassment & bullying in the workplace.
- Poor employee wellbeing (causing stress).
- Key person dependencies without effective succession planning in place.
- Industrial activity.

**Potential causes include:**

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Key Controls	Type		Rating
Annual Performance Appraisals	Detective		<b>Effective</b>
Encourage staff social activities	Preventative		<b>Inadequate</b>
Induction process on commencement	Preventative		<b>Effective</b>
WHS Induction on commencement	Preventative		<b>Effective</b>
Workforce Plan	Preventative		<b>Adequate</b>
Employee Assistance Program	Preventative		<b>Effective</b>
Staff training programs as required	Preventative		<b>Adequate</b>
<i>Overall Control Ratings:</i>			<b>Effective</b>

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b>	<b>Minor (2)</b>
	<b>Likelihood:</b>	<b>Likely (4)</b>
	<i>Overall Risk Ratings:</i>	

Indicators	Type	Benchmark
Employee Satisfaction Survey	Leading	
<i>Suitable budget for training</i>	Leading	Zero
Average absenteeism	Lagging	10% per annum
Employee turnover	Lagging	20% per annum
Workers Compensation (Stress) Claims	Lagging	Zero
<i>Suitable budget for training</i>	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Performance Appraisal documentation	Mar-23	CEO
Review Workforce Plan	Jun-23	CEO

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

- Inadequate procedures in place to manage quality or availability.
- Poor crowd control
- Ineffective signage
- Booking issues
- Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
- Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

**Potential causes include;**

Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)
Falsifying hiring agreements (alcohol on site / lower deposit)	Renovations
Unaccompanied minors/children	Animal Contamination
Failed chemical / health requirements	

Key Controls	Type		Rating
Bookings Procedure followed	Preventative		Effective
Cleaning Audits of all Shire Facilities	Detective		Effective
Shire approval for significant events	Preventative		Effective
Key Bonds taken/returned	Preventative		Effective
Insurances for hirers checked	Preventative		Effective
Booking forms completed	Preventative		Effective
Well organised Shire events	Preventative		Effective
10 Year Building Maintenance Plan	Detective		Effective
<i>Overall Control Ratings:</i>			Effective

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b>	Minor (2)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	Moderate

Indicators	Type	Benchmark
Attendance at Shire events	Leading	Within 20% of anticipated numbers
Community complaints regarding facilities	Lagging	<5 per annum
Injuries/incidents	Lagging	Zero

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Event Management Framework	Sep-23	MPDS
Public Buildings Inspected Annually for Compliance	Sep-23	MPDS

# Not meeting Community expectations

Mar-23

Failure to provide expected levels of service, events and benefit to the community. This includes where precedents have set Community perceptions or where services are generally expected. This will normally result in reputational impacts, however may have financial considerations with re-work, compensations or refunds.

## Potential causes include;

Reducing the number or quality of events	Loss of new or ongoing funding requirements for projects, events and other initiatives		
Withdrawing support (or not supporting) other initiatives to provide relief/benefits to the community	Technology expectations		

Key Controls	Type		Rating
Annual Street Party is held	Preventative		Effective
Youth Programs are funded	Preventative		Effective
Communication Plan adhered to	Preventative		Effective
<i>Overall Control Ratings:</i>			Effective

Consequence Category	Risk Ratings	Rating
Reputation / Finance	<i>Consequence:</i>	Minor (2)
	<i>Likelihood:</i>	Possible (3)
	<i>Overall Risk Ratings:</i>	

Indicators	Type	Benchmark
Annual Street Party held	Leading	
Youth Programs funded	Leading	

Current Issues / Actions / Treatments	Due Date	Responsibility
Conduct Community Satisfaction Survey	Dec-23	CEO

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