



SHIRE OF
DOWERIN
TIN DOG TERRITORY

MINUTES

Audit & Risk Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
13 March 2023



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Table of Contents



1.	Official Opening
2.	Record of Attendance / Apologies / Leave of Absence
3.	Public Question Time
4.	Disclosure of Interest
5.	Confirmation of Minutes of the Previous Meetings
5.1	Minutes of the Audit & Risk Committee Meeting held on 13 December 2022
6	Presentations
7.	Officer's Reports
7.1	Risk Dashboard Quarterly Report - December 2022
7.2	2022 Financial Management Review
7.3	CEO's Review of Risk Management, Internal Control and Legislative Compliance and Risk Management Governance Framework - Regulation 17
7.4	2022 Compliance Audit Return
8.	Questions from Members
9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of Next Meeting
11.	Closure

Shire of Dowerin
Audit & Risk Committee Meeting
13 March 2023



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 10.00am.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr NP McMorran	
Mrs TA Jones	

Staff:

Ms R McCall	Chief Executive Officer
Mr A Wooldridge	Deputy Chief Executive Officer
Ms L Dreghorn	Executive & Governance Officer

Apologies:

Cr BA Ward, Deputy President
Mr D Armstrong

Approved Leave of Absence:

Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 13 December 2022

Attachment 5.1A

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution - 5.1

Moved: Cr McMorran

Seconded: Mrs T Jones

0741

That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 13 December 2022, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 3/0

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Quarterly Report – December 2022

<h1>Governance & Compliance</h1>		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	7 March 2023	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, Chief Executive Officer	
Author:	As Above	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Compliance/Risk Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A - Risk Dashboard Quarterly Report – December 2022	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Review to the Audit & Risk Committee for noting.

Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

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 controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the

quarterly reporting process, management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

Comment

The reviewed Risk Dashboard is included as an Attachment for Council's perusal and comment. Due to no Audit and Risk Committee meeting schedule until after the End of Year Financials have been received, the Risk Dashboard will be presented at the next Audit and Risk Committee meeting for noting.

The following comments against current actions are noted:

Asset Management

Action: Link Building Maintenance Schedule to AMP

Comment: Rescheduled for September 2023

KPI: Asset Renewal Funding Ratio Result 92%. No longer a reporting requirement for Band 4; KPI to be reviewed

KPI: Asset Consumption Ratio Result 59%. No longer a reporting requirement for Band 4; KPI to be reviewed

KPI: Asset Sustainability Ratio Result 69%. No longer a reporting requirement for Band 4; KPI to be reviewed

KPI: AMP & LTFP, completed, improving

KPI: Accidents/Damage to Property Result 10 for quarter, improving

Business Disruption

Action: Development of IT Disaster Recovery Plan

Comment: Deferred until DCEO has reviewed IT Systems and Controls

KPI: LEMC meetings 2, improving

KPI: LEM annual exercise 1, improving

Compliance

Action: Review of Long-Term Financial Plan

Comment: Completed

Action: Review of Information Management System

Comment: Commenced; Expected to be finalised by September 2023

Action: End of Financial Audit - Prepare

Comment: Completed

KPI: Financial Management System Review (Every 3 years)

Comment: Completed November 2022

KPI: CEO Regulation 17 Review (Every 3 years)

Comment: Last reviewed September 2019; Due December 2022; Scheduled for February 2023

KPI: Regulation 53 of Building Regulations 2021 (pool Inspections)

Comment: Inspections completed November 2022

Document Control

Action: Review SharePoint System

Comment: Progressing; Consultant engaged to implement stage 1, expected to be finalised by June 2023

Employment Practices

Action: Review of Staff Induction process

Comment: Review progressing.

Action: Develop Health & Wellbeing Plan

Comment: implementing 2023 Plan

Action: Review Workforce Plan

Comment: Review underway, expected to complete June 2023

KPI: Absenteeism Personal Leave (greater than 10 days per FTE)

Comment: Rated for the 2021/22 with a result of 32%; leave policy introduced to improve rating, KPI to be reviewed to consider tolerance and measure

KPI: Absenteeism Unpaid Leave (greater than 0 days per FTE)

Comment: Rated for the 2021/22 with a result of 41%; leave policy introduced to improve rating, KPI to be reviewed to consider tolerance and measure

KPI: Employee Turnover (% Turnover of Permanent Staff)

Comment: KPI to be reviewed to consider tolerance and measure

Engagement Practices

Action: Review Community Complaints, Feedback & Request Handling Process

Comment: Reviewed in conjunction with SharePoint review; currently underway

Action: Review Process for Customer Response Requests

Comment: Reviewed in conjunction with SharePoint review; currently underway

Environmental Management

Action: Address Compliance of Waste Water Re-Use

Comment: Recycled Water Quality Management Plan in draft

Management of Facilities/Venues/Events

Action: Develop Event Management Framework

Comment: EMP in place, framework ongoing, extended due date to December 2023

Action: Undertake Community Facilities Review

Comment: Near completion

Action: Public Buildings Inspected Annually for Compliance

Comment: Inspections completed November 2022.

IT and Communication Systems

Action: Develop IT Disaster Recovery Plan

Comment: Linked with IT Framework & Services

Action: Document IT Infrastructure Replacement Program

Comment: Linked with IT Framework & Services

Action: Document IT System Framework & Services

Comment: Deferred until December 2023

Misconduct

Action: Review Purchasing Policy & Procurement Process

Comment: Scheduled to complete end April 2023

Project/Change Management

Action: Develop Project Management Methodology and Framework

Comment: Project management templates in place; process yet to be documented

Action: Review Communication and Engagement Framework

Comment: Due to review in August 2023

Safety and Security Practices

Action: Assess Shire Building and Facility Safety and Security

Comment: Completed November 2022

Action: Develop Isolated Worker Management Procedure

Comment: Policy signed off, yet to prepare procedure

Action: Conduct Annual BCP and LEMC Drills

Comment: LEMC Drill completed June 2022; BCP drill completed December 2022

Near Miss Per Quarter: Nil, Improving

Workers Compensation Claims: 1, Improving

It is planned to consider strategic financial management risks and identify key controls and treatments for inclusion into the risk dashboard.

Consultation

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Deputy Chief Executive Officer

Linley Dreghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 - Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.1

Asset Management Plan

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

Long Term Financial Plan

Identified key controls and actions associated with financial management are factored into the Long Term Financial Plan.

Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

Risk Implications

The Shire of Dowerin has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

Financial Implications

Many of the actions required to manage the risks identified will require resourcing and are being progressed within the current budget allocations.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution - 7.1

Moved: Cr Trepp

Seconded: Cr McMorran

0742 That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee receives the quarterly Risk Dashboard Quarterly Report - December 2022, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin.

CARRIED 3/0

Please note that the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

7.2 2022 Financial Management Review

Governance & Compliance



Date:	7 March 2023
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
SharePoint Reference:	Organisation/Financial Management/Reporting
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A – Financial Management Review Report Attachment 7.2B – Summary of Findings Report

Purpose of Report

Executive Decision

Legislative Requirement

Summary

This Item presents the 2022 Financial Management (FM) Review to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

Background

The CEO is responsible for implementing policies, procedures and controls which are designed to ensure the effective and efficient management of the Shire's resources. In accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures (at least once in every three financial years) and report the results of those reviews to Council.

The last FM Review was conducted in 2019 by Mr Gary Martin.

The CEO sought quotes from external consultants to undertake the FM Review, with the quote from Mr Darren Long considered the best value for money and therefore Mr Long was appointed to undertake the FM Review.

The FM Review entailed an examination of various financial systems and procedures including (but not limited to):

1. Bank Reconciliations and Petty Cash;
2. Trust Funds;
3. Receipts and Receivables;
4. Rates;
5. Fees and Charges;
6. Purchases, Payments and Payables (Including Purchase Orders);
7. Salaries and Wages;

8. Credit Card Procedures;
9. Fixed Assets (Including Acquisition and Disposal of Property);
10. Cost and Administration Overhead Allocations;
11. Minutes and Meetings;
12. Budget;
13. Financial Reports;
14. Registers (Including Annual and Primary Returns);
15. Delegations;
16. Audit & Risk Committee;
17. Insurance;
18. Storage of Documents/Record Keeping; and
19. Integrated Planning.

The FM Review did not entail an examination of compliance with all provisions of the *Local Government Act 1995* or all Regulations (apart from the *Local Government (Financial Management) Regulations 1996*), which did not impact on the key functions mentioned above. Emphasis was placed on internal controls and management oversight of the various functions mentioned as well as the matters raised in the recent external interim and annual audits.

The FM Review was conducted during the week commencing Monday 21 November 2022 onsite at the Shire Administration Office. The FM Review Report completed by Mr Long is provided as Attachment 7.2A.

Comment

A table of summary findings of the Financial Management Review has been developed by management and is provided in Attachment 7.2B.

The identification and improvement in management processes since 2018 has required significant time and effort to develop and implement, even though this has taken place in an environment which has not provided the clear air to achieve all that is required. It is recognised that ideally, a period of some weeks or months dedicated solely to process improvement development and implementation is required, however this is both unachievable and unrealistic. Therefore the “completion” of reviewing and implementing a robust governance/internal control/compliance/risk regime will be on-going for the immediate future.

The FM Review has noted that the Shire had observed the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

The FM Review identified the Council has a significant role and responsibility to play in recognising the situation that exists, as well as the pitfalls and the efforts being made to achieve a solid best practice environment.

Funding, human resources, time and competing demands (particularly community expectations and normal day to day operations) all compete with the work and effort required to achieve the high standard management regime expected and which is also required.

In summary, the 2022 FM Review found that the existing systems and procedures are appropriate and effective for the operations and size of the Shire.

It is the intent of Management to develop a prioritised action list to address the recommendations identified in Mr Long’s report.

Staff may provide further comment on the FM Review at the meeting.

Consultation

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Deputy Chief Executive Officer

Darren Long, DL Consulting

Policy Implications

It is noted that Policies and Procedures are being reviewed as part of the continual improvements. These will be considered separately by Council at the completion of the review process. Comments made in the FM Review relating to specific Policies and Procedures will be taken on-board as part of the review process.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* states:

“(2) The CEO is to –

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

The FM Review has been undertaken in accordance with this Regulation.

Risk Implications

The risks associated with matters in this report are:

1. Misconduct;
2. External Theft and Fraud;
3. Errors, Omissions and Delays;
4. Failure to fulfil Statutory, Regulatory or Compliance Requirements; and
5. Ineffective Employment Practices.

The impact of the risk is Financial, Non-Compliance and Reputational. The consequences of these risks are considered to be extreme. Mitigation includes contracting an independent consultant to undertake the FM Review.

Financial Implications

The 2022/23 Budget contains an allocation for the costs associated with undertaking the FM Review, provided at GL 2040250 GOV Other Consultants – Statutory.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution - 7.2

Moved: Mrs T Jones

Seconded: Cr McMorran

0743

That, by Simple Majority, in accordance with Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996*, the Audit & Risk Committee receives the 2022 Financial Management Review and the table of Summary Findings of the Financial Management Review, as presented in Attachments 7.2A & Attachment 7.2B, noting the inclusion of management comments and expected action completion dates in Attachment 7.2B will also be reported to future Audit & Risk Committee and Council meetings on the progress and achieved milestones.

CARRIED 3/0

7.3 CEO's Review of Risk Management, Internal Control and Legislative Compliance and Risk Management Governance Framework – Regulation 17

Governance & Compliance



Date:	7 March 2023
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Organisation/Compliance/Risk Management/2019 – CEO's Report for Audit Regulation 17
Disclosure of Interest:	Nil
Attachments:	Attachment 7.3A – CEO's Regulation 17 Review Report

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the CEO's Review of Risk Management, Internal Control and Legislative Compliance and Risk Management Governance Framework – Regulation 17 to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

Background

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the Chief Executive Officer to review the appropriateness and effectiveness of the Council's systems and procedures as they relate to the following areas:

- Risk Management;
- Internal Controls; and
- Legislative Compliance.

The review may relate to any or all the matters to in sub regulation (1)(a), (b) and (c), but each of those matters is to be subject of a review not less than every 3 financial years.

The Department of Local Government, Sport & Cultural Industries provides an operational guideline (No. 9) which focuses on audit committees. As part of the guideline, appendix 3 provides a framework for Chief Executive Officer's in conducting the required Regulation 17 review. This guideline has been used as the basis for undertaking this review.

The Shire's last Regulation 17 Review was conducted in December 2019, which was adopted by Council at its Meeting (CMRef 0310).

Comment

The review aims to establish an ongoing level of accountability to ensure that Council's risk management, internal controls and legislative compliance is appropriate and effective.

The review undertaken looked at:

- Potential causes of risk to Council within each of the above areas;
- The key controls which currently exist to mitigate the risk;
- An assessment of the quality of the controls; and
- An overall assessment of the risk rating for the area.

This report has been completed in accordance with that Regulation and details of the findings from the review are listed with actions and recommendations by the CEO for improvement.

This review covers the reporting period from January 2020 to December 2022.

Consultation

Rebecca McCall, Chief Executive Officer
Aaron Wooldridge, Deputy Chief Executive Officer
Linley Dregghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 – Risk Management Policy applies.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Regulation 17 of the *Local Government (Audit) Regulations 1996* states:

“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 sub regulation (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.”*

Risk Implications

The Audit & Risk Committee, and Council, would be contravening the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* if this item was not considered.

The Shire of Dowerin has a Risk Management Governance Framework which includes a policy and procedure. The framework provides tools that monitor the Shire’s risk profile on a quarterly basis. When regular monitoring and review takes place risk implications are low.

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution - 7.3

Moved: Cr McMorran

Seconded: Mrs T Jones

0744 That, by Simple Majority, in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee:

1. Receives the Chief Executive Officer's review of the Regulation 17 Report consisting of Shire of Dowerin's Risk Management, Internal Controls and Legislative Compliance report as presented in Attachment 7.3A;
2. Recommends adoption of the Chief Executive Officer's review of the Regulation 17 Report consisting of Shire of Dowerin's Risk Management, Internal Controls and Legislative Compliance report and the Shire of Dowerin Risk Dashboard Report by Council.

CARRIED 3/0

7.4 2022 Compliance Audit Return

Governance & Compliance



Date:	8 March 2023
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995</i>
Sharepoint Reference:	Organisation/Governance/Committees/2023 March Audit & Risk Committee Meeting Organisation/Corporate Management/Reporting/2022 Compliance Audit Return
Disclosure of Interest:	Nil
Attachments:	Attachment 7.4A – 2022 Compliance Audit Return

Purpose of Report

Executive Decision

Legislative Requirement

Summary

This Item presents the 2022 Compliance Audit Return (CAR) to the Audit & Risk Committee (the Committee) for consideration and, if satisfactory, recommendation to Council for adoption.

Background

Each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the CAR.

After the CAR has been reviewed by the Committee and presented to Council, a copy certified by the President and CEO along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

The CAR is one of the tools available to the Committee and Council in its governance monitoring role. The CAR also forms part of the DLGSC's monitoring program. The 2022 CAR once again places emphasis on the need for the Committee and Council to be aware of and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR requires Council to endorse details of remedial action either taken or proposed to be taken to prevent future like occurrences.

The 2022 CAR contains questions relating to:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power/Duty (13 questions);
3. Disclosure of Interest (21 questions);
4. Disposal of Property (2 questions);
5. Elections (3 questions);
6. Finance (7 questions);
7. Integrated, Planning and Reporting (3 questions);
8. Local Government Employees (5 questions);

9. Official Conduct (4 questions)
10. Optional Questions (9 questions); and
11. Tenders for Providing Goods and Services (22 questions).

The 2022 CAR was completed internally and involved collection of documents, verification of compliance and, where useful and applicable, recommendations in relation to improve any systems and processes that the Shire may have in place.

The CAR for the period 1 January 2022 to 31 December 2022 is included as Attachment 7.4A.

Comment

The 2022 CAR identified five areas of partial non-compliance:

'The Shire achieved a commendable level of compliance. Of the 94 areas examined there were only five where the Shire was partially non-compliant:

1. *'Delegation of Power/Duty' question 8 - section 5.42(2) requires delegations to the CEO to be in writing.*

A review of the delegations was conducted in December 2022 and presented to Council at its Ordinary Council Meeting, Item 12.4 CMRef 0714. However notification of the delegation was not provided to the CEO in writing.

2. *"Delegation of Power/Duty' question 9 - section 5.44(2) requires delegations by the CEO to any employee to be in writing.*

Notification in writing was not provided to delegated employees.

3. *'Other' question 4 - section 5.90A(2) & (5) the local government to prepare, adopt by absolute majority and publish an up-to-date version on the website, a policy dealing with attendance of council members and the CEO at events.*

Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.16 - Attendance at Events & Functions Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.

4. *'Other' question 6 - section 5.128(1) the local government to prepare, adopt by absolute majority and publish an up-to-date version on the website, a policy in relation to the continuing professional development of council members.*

Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.16 - Attendance at Events & Functions Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.

5. *'Other' question 7 - did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022.*

This was not completed by 31 July 2022 as generally Council member training is reported in the Annual Report which is produced and adopted by Council after this date. Therefore we have noted this requirement and recorded in the annual compliance calendar.

Overall, the systems and processes employed by the Shire appear robust and appropriate for a local government of its size.'

These five areas, and the remedial action taken to ensure they do not occur again, are summarised in the following table:

Category	Question	Response	Comment	Remedial Action
Delegation of Power/Duty	Were all delegations to the CEO in writing?	No	<i>A review of the delegations was conducted in December 2022 and presented to Council at its Ordinary</i>	This requirement is recorded on the annual compliance calendar.

			<i>Council Meeting, Item 12.4 CMRef 0714. However, notification of the delegation was not provided to the CEO in writing.</i>	
Delegation of Power/Duty	Were all delegations by the CEO to any employee in writing?	No		This requirement is recorded on the annual compliance calendar.
Other	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	No	Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.16 - Attendance at Events & Functions Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.	Represent to Council for absolute resolution.
Other	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	No	Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.15 - Councillors Training & Continuing Professional Development Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.	Represent to Council for absolute resolution.
Other	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	No	This was not completed by 31 July 2022 as generally Council member training is reported in the Annual Report which is produced and adopted by Council after this date	This requirement is recorded on the annual compliance calendar.

The 2022 CAR included 94 questions. Of these, 89 were able to be answered on the basis of complying with the legislative requirements resulting in a 94.7% success rate. The below table compares previous year's results.

YEAR	QUESTIONS	COMPLIANCE
2021	98	96.94%
2020	102	97.06%
2019	104	97%

2018	95	94.7%
2017	94	98.9%

The 2022 CAR demonstrates the Shire's ongoing commitment to statutory compliance and adequate response to non-compliance throughout the organisation.

Consultation

Rebecca McCall, Chief Executive Officer
Aaron Wooldridge, Deputy Chief Executive Officer
Linley Dreghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation
Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.
Outcome: 5.3
Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Section 7.13(1)(i) of the *Local Government Act 1995* requires local governments to carry out a compliance audit in a manner specified by Regulations.

Regulation 14 of the *Local Government (Audit) Regulations 1996* is applicable and states:

“14. Compliance audits by local governments

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be –*
 - (a) *presented to the council at a meeting of the council; and*
 - (b) *adopted by the council; and*
 - (c) *recorded in the minutes of the meeting at which it is adopted.”*

Regulation 15 of the *Local Government (Audit) Regulations 1996* requires a certified copy of the CAR to be provided to the DLGSC by 31 March:

“15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with –
- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit,
- is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- (2) In this regulation –
- certified** in relation to a compliance audit return means signed by –
- (a) the mayor or president; and
 - (b) the CEO.”

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Management Framework
Action (Treatment)	Document Governance Management Framework
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements

Simple Majority Absolute Majority

Officer’s Recommendation/Resolution – 7.4

Moved: Cr Trepp **Seconded:** Cr McMorran

0745 That, by Simple Majority, in accordance with Regulations 14 and 15 of the Local Government (Audit) Regulations 1996, the Audit and Risk Committee:

1. **Receives the 2022 Compliance Audit Return, as presented in Attachment 7.4A, noting the remedial action taken to address the five areas of partial non-compliance; and**
2. **Recommends to Council that it adopts the 2022 Compliance Audit Return and submits it to the Department of Local Government, Sport & Cultural Industries prior to 31 March 2023.**

CARRIED 3/0

8.	Questions from Members
	Nil
9.	Urgent Business Approved by the Person Presiding or by Decision
	Nil
10.	Date of the Next Meeting
	TBC May
11.	Closure

The Chair thanked those in attendance and declared the Meeting closed at 10.50am.



SHIRE OF
DOWERIN
TIN DOG TERRITORY

MINUTES

Audit & Risk Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
13 December 2022



ABN: 35 939 977 194

P (08) 9631 1202 **E** dowshire@dowerin.wa.gov.au
13 Cottrell Street, Dowerin WA 6461

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Table of Contents



1.	Official Opening
2.	Record of Attendance / Apologies / Leave of Absence
3.	Public Question Time
4.	Disclosure of Interest
5.	Confirmation of Minutes of the Previous Meetings
5.1	Minutes of the Audit & Risk Committee Meeting held on 2 August 2022
6	Presentations
7.	Officer's Reports
7.1	Risk Dashboard Quarterly Report - September 2022
7.2	2021/22 Annual Report & Annual Electors Meeting
8.	Questions from Members
9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of Next Meeting
11.	Closure

Shire of Dowerin
Audit & Risk Committee Meeting
13 December 2022



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 2.30pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr BA Ward	Deputy President
Cr NP McMorran	
Mrs TA Jones	
Mr D Armstrong	Via Teams

Staff:

Ms R McCall	Chief Executive Officer
Mr A Wooldridge	Deputy Chief Executive Officer
Ms L Dreghorn	Executive & Governance Officer

Apologies: Nil

Approved Leave of Absence: Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 2 August 2022

Attachment 5.1A

Voting Requirements

Simple Majority Absolute Majority

Officer's Recommendation/Resolution - 5.1

Moved: Cr McMorran **Seconded:** Cr Ward

0698 That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 2 August 2022, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 5/0

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Quarterly Report – September 2022

<h1>Governance & Compliance</h1>		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	5 November 2022	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, Chief Executive Officer	
Author:	As Above	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Compliance/Risk Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A - Risk Dashboard Quarterly Report – September 2022	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Review to the Audit & Risk Committee for noting.

Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

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 controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the

quarterly reporting process, management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

Comment

The reviewed Risk Dashboard is included as an Attachment for Council's perusal and comment. Due to no Audit and Risk Committee meeting schedule until after the End of Year Financials have been received, the Risk Dashboard will be presented at the next Audit and Risk Committee meeting for noting.

The following comments against current actions are noted:

Asset Management

Action: Revaluation of sewerage assets

Comment: Draft Report provided to management for comment (5 year revalue cycle)

Action: Implement New Fuel Stock Control System

Comment: Partially completed; fuel pods will be installed into new fleet

Action: Revaluation of Land & Buildings

Comment: Revalue cycle every 5 years in accordance with FM Regulations

Action: Review of Long-Term Financial Plan

Comment: Progressing, Draft reviewed LTFP currently linking; data needs to be cross referenced

KPI: Asset Renewal Funding Ratio Result 92%, worsening

KPI: Asset Consumption Ratio Result 59%, worsening

KPI: Asset Sustainability Ratio Result 69%, worsening

KPI: Accidents/Damage to Property Result 10 for quarter, improving

Business Disruption

Action: Development of IT Disaster Recovery Plan

Comment: Deferred until DCEO has reviewed IT Systems and Controls

KPI: LEMC meetings 2, worsening

KPI: LEM annual exercise 1, improving

Compliance

Action: Review of Long-Term Financial Plan

Comment: Progressing, Cross referencing data in the LTFP

Action: Review of Information Management System

Comment: Progressing, extended completion to December to provide the DCEO time to carry out review

Action: End of Financial Audit - Prepare

Comment: Financials prepared and currently with Auditors

KPI: Financial Management System Review (Every 3 years)

Comment: Scheduled to commence 21-24 November with external contractor

KPI: CEO Regulation 17 Review (Every 3 years)

Comment: Scheduled to be undertaken in December 2022 - inhouse

KPI: Regulation 53 of Building Regulations 2021 (pool Inspections)

Comment: Inspections scheduled for 24 November 2022

Document Control

Action: Review SharePoint System

Comment: Progressing; Consultant engaged to implement stage 1

Employment Practices

Action: Review of Staff Induction process

Comment: Review progressing.

Action: Develop Health & Wellbeing Plan

Comment: Draft program progressing

Action: Review Workforce Plan

Comment: Carry out review once organisation re-structure is finalised

KPI: Absenteeism Personal Leave (greater than 10 days per FTE)

Comment: Rated for the 2021/22 with a result of 32%; leave policy introduced to improve rating

KPI: Absenteeism Unpaid Leave (greater than 0 days per FTE)

Comment: Rated for the 2021/22 with a result of 41%; leave policy introduced to improve rating

KPI: Employee Turnover (% Turnover of Permanent Staff)

Comment: KPI to be reviewed to consider tolerance and measure

Engagement Practices

Action: Review Community Complaints, Feedback & Request Handling Process

Comment: Second review required to streamline process, due December 2022

Action: Review Process for Customer Response Requests

Comment: Conduct second review and align with complaints handling process

Environmental Management

Action: Address Compliance of Waste Water Re-Use

Comment: Recycled Water Quality Management Plan in draft

Management of Facilities/Venues/Events

Action: Develop Event Management Framework

Comment: EMP in place, framework ongoing, extended due date to December 2022

Action: Public Buildings Inspected Annually for Compliance

Comment: Inspections commenced; EHO on site 24 November.

IT and Communication Systems

Action: Document IT Infrastructure Replacement Program

Comment: To be developed prior to December 2022

Safety and Security Practices

Action: Assess Shire Building and Facility Safety and Security

Comment: Scheduled for November

Action: Develop Isolated Worker Management Procedure

Comment: Policy signed off, yet to prepare procedure

Action: Conduct Annual BCP and LEMC Drills

Comment: LEMC Drill completed June 2022; BCP drill due December 2022

It is planned to consider strategic financial management risks and identify key controls and treatments for inclusion into the risk dashboard.

Consultation

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Deputy Chief Executive Officer

Linley Dreghorn, Executive & Governance Officer

Ordinary Council Meeting November 2022

Policy Implications

Policy 2.2 - Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.1

Asset Management Plan

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

Long Term Financial Plan

Identified key controls and actions associated with financial management are factored into the Long Term Financial Plan.

Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

Risk Implications

The Shire of Dowerin has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

Financial Implications

Many of the actions required to manage the risks identified will require resourcing and are being progressed within the current budget allocations.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution - 7.1

Moved: Cr Ward

Seconded: Mrs TA Jones

0698 That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee receives the quarterly Risk Dashboard Quarterly Report - September 2022, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin.

CARRIED 5/0

Please note that the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

7.2 2021/22 Annual Report & Annual Electors Meeting 1

Corporate & Community Services



Date:	28 February 2022
Location:	Not Applicable
Responsible Officer:	Aaron Wooldridge, Deputy Chief Executive Officer
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Organisation/Corporate Management/Reporting/2021-22 Annual Report
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A - 2021/22 Annual Report

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the 2021/22 Annual Report & Audited Financial Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

Background

The annual financial statements for the year ended 30 June 2022 have been audited by the Auditors under the Office of the Auditor General (OAG).

The 2021/22 Annual Report which includes the audited financial report and OAG's Opinion Letter is included as an Attachment.

Comment

Pursuant to its Terms of Reference, it is relevant that the Audit & Risk Committee considers the 2021/22 Annual Report and where appropriate, makes recommendation(s) in respect of the report.

In accordance with Section 7.9 of the *Local Government Act 1995*, an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, to prepare a report thereon and forward a copy of that report to:

1. the Mayor or President;
2. the CEO of the local government; and
3. the Minister.

The Opinion Letter included with the 2021/22 Annual Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of Council.

The End of Financial Year Report was received 6 December 2022. The Audit Exit Meeting took place on 5 December 2022.

2021/22 Annual Report

The interim audit was conducted on-site from 22 and 23 August 2022. The process was rigorous and extensive.

Annual Electors Meeting

Local governments are required to conduct an Annual Electors Meeting (AEM) not more than 56 days after adopting the Annual Report. A requirement of setting the date is that 14 days Local Public Notice is required for advertising the meeting. Provided that the 2021/22 Annual Report is endorsed by Council at its 20 December 2022 meeting it is recommended that the AEM be held on the same day at the conclusion of the Ordinary Council Meeting. The date is suggested as it will be prior to school holidays and with no meeting in January, a special meeting would need to be called to meet legislative requirements. It also allows enough time for the minimum 14 day notification period. This was presented to the November OCM and this was the preferred date by Council.

Discussion with the OAG and Auditors

Representatives from the OAG and Macri Partners Chartered Accountants conducted the Exit Interview which discussed the Opinion Letter and other relevant matters with the President, CEO and DCEO via teleconference on Tuesday 6 December 2022.

There were no significant findings as per the attached Auditors Report. There was one moderate finding as follows:

1. Fair Value of Land and Buildings and Infrastructure Assets - Frequency of Valuations

The Shire has performed an assessment to determine whether its land and buildings, roads, drainage and footpaths infrastructure assets represent fair value. Although the high level assessment indicated there could be significant movements or impacts on its land and buildings, roads, drainage and footpaths assets, management advised that they are comfortable with the value of the land and buildings and infrastructure assets as at 30 June 2022 and that they did not consider any potential change in fair value to be material.

Consultation

OAG / Auditors

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Deputy Chief Executive Officer

Linley Dreghorn, Executive & Governance Officer

Local Public Notice is required to be provided on the availability of the Annual Report and the Annual Electors Meeting.

Policy Implications

Nil

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Sections 5.27, 5.29, 5.53 and 5.54 of the *Local Government Act 1995* are applicable and state:

“5.27. Electors’ general meetings

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors’ meetings are to be those prescribed.*

5.29. Convening electors’ meetings

- (1) *The CEO is to convene an electors’ meeting by giving –*
 - (a) *at least 14 days’ local public notice; and*
 - (b) *each council member at least 14 days’ notice,*
of the date, time, place and purpose of the meeting.
- (2) *The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time the notice is first given and is to continue in the prescribed way until the meeting has been held.*

5.53. Annual reports

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain –*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*
 - [(c), (d) *deleted*]
 - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
 - (f) *the financial report for the financial year; and*
 - (g) *such information as may be prescribed in relation to the payments made to employees; and*
 - (h) *the auditor’s report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
 - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*
 - (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including –*
 - (i) *the number of complaints recorded in the register of complaints; and*
 - (ii) *how the recorded complaints were dealt with; and*
 - (iii) *any other details that the regulations may require;*
and
 - (i) *such other information as may be prescribed.*

5.54. Acceptance of annual reports

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

* Absolute majority required.

- (2) *If the auditor’s report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor’s report becomes available.”*

Regulation 3A of the *Local Government (Administration) Regulations 1996* stipulates the requirements for providing Local Public Notice and states:

“3A. Requirements for local public notice (Act s. 1.7)

- (1) *For the purposes of section 1.7(a), notice of a matter must be published on the local government’s official website for –*
- (a) *the period specified in or under the Act in relation to the notice; or*
 - (b) *if no period is specified in relation to the notice – a period of not less than 7 days.*
- (2) *For the purposes of section 1.7(b), each of the following ways of giving notice of a matter is prescribed –*
- (a) *publication in a newspaper circulating generally in the State;*
 - (b) *publication in a newspaper circulating generally in the district;*
 - (c) *publication in 1 or more newsletters circulating generally in the district;*
 - (d) *publication on the official website of the Department or another State agency, as appropriate having regard to the nature of the matter and the persons likely to be affected by it, for –*
 - (i) *the period specified in or under the Act in relation to the notice; or*
 - (ii) *if no period is specified in relation to the notice – a period of not less than 7 days;*
 - (e) *circulation by the local government by email, text message or similar electronic means, as appropriate having regard to the nature of the matter and the persons likely to be affected by it;*
 - (f) *exhibition on a notice board at the local government offices and each local government library in the district for –*
 - (i) *the period specified in or under the Act in relation to the notice; or*
 - (ii) *if no period is specified in relation to the notice – a period of not less than 7 days;*
 - (g) *posting on a social media account administered by the local government for –*
 - (i) *the period specified in or under the Act in relation to the notice; or*
 - (ii) *if no period is specified in relation to the notice – a period of not less than 7 days.”*

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government, and the role of the Audit & Risk Committee in considering the results of those audits.

Risk Implications	
Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Management Framework

Action (Treatment)	Document Governance Management Framework
Risk Rating (after treatment)	Adequate

Financial Implications

The costs for notification in accordance with Regulation 3A(2)(e), (f) and (g) will be negligible and can be accommodated within current budget allocations.

Similarly, any costs associated with conducting the AEM will be negligible and can be accommodated within current budget allocations.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution - 7.2

Moved: Cr Ward

Seconded: Cr McMorran

0699 That, by Absolute Majority, in accordance with Sections 5.27, 5.29, 5.53 and 5.54 of the *Local Government Act 1995*, the Audit & Risk Committee:

1. Accepts the 2021/22 Annual Report, as presented in Attachment 7.2A, for the 2021/22 financial year;
2. Recommends to Council that it adopts the 2021/22 Annual Report, as presented in Attachment 7.2A, for the 2021/22 financial year; and
3. Recommends to Council that it conducts its Annual Electors Meeting on Tuesday 20 December 2022 at the Dowerin Community Club, East Street Dowerin commencing at 6.30pm.

CARRIED BY ABSOLUTE MAJORITY 5/0

8.	Questions from Members
	Nil
9.	Urgent Business Approved by the Person Presiding or by Decision
	Nil
10.	Date of the Next Meeting
	February 2023 date TBC
11.	Closure
	The Chair thanked those in attendance and declared the Meeting closed at 3.09pm

Shire of Dowerin Risk Dashboard Report - December 2022

Asset Management Practices			Risk	Control
			Moderate	Adequate
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.				
Actions	Due Date	Responsibility		
Revaluation of Road Assets	Jun-23	CEO		
Update RAMM Annually	Jun-23	CEO		
Link Building Maintenance Schedule to AMP	Sep-22	DCEO		
Review Asset Management Plan	Completed	CEO & DCEO		
Review LTFP and Link to AMP	Completed	DCEO		
Review Fuel Stock Control System	Feb-21	CEO / DCEO / AWC		
Review Fuel Stock Control System	Completed	DCEO		
Implement New Fuel Stock Control System	Completed	CEO / DCEO / AWC		

Business Disruption			Risk	Control
			Moderate	Adequate
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).				
Actions	Due Date	Responsibility		
Annual LEM Exercise Undertaken	Jun 23	CEO		
Review Business Continuity Plan	Aug 24	CEO		
Business Continuity Plan Drill to be Undertaken Annually	Dec 23	CEO & DCEO		
Develop IT Disaster Recovery Plan	Dec 22	DCEO		
Fire Breaks Inspected and Enforced Annually	Nov 23	DCEO		
Fire Fighting Equipment Maintained and Serviced Annually	Aug 23	CEO		
Wardens (Internal) - Training of New Wardens	Completed	CEO & DCEO		
Admin Generator Maintained and Serviced	Monthly	CEO		
Review Managing Emergencies in Shire Facilities	Jun 22	CEO & DCEO		

Failure to fulfil Compliance Requirements			Risk	Control
			Moderate	Adequate
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.				
Actions	Due Date	Responsibility		
Document Governance Framework	Dec-22	CEO & EGO		
Continue Implementation of Training Program for Councillors and Staff	Ongoing	CEO, DCEO & EGO		
Review Councillor Induction Manual - Every 2 Years	Sep-23	EGO		
Review Human Resource Management Framework	Dec-22	CEO & DCEO		
Review Information Management System	Dec-22	DCEO		
End of Year Financial Audit - Prepare	Sep-23	DCEO		
Interim Audit Finding 30 June 2022 - Action of Findings	Completed	DCEO		
Interim Audit Finding 30 June 2020 - Review of AMP & LTFP	Completed	DCEO		
Audit Finding 30 June 2022 - Action of Findings				

Document Management Processes			Risk	Control
			Moderate	Adequate
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.				
Actions	Due Date	Responsibility		
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Completed	DCEO		
Refurbishment of Archive Room to Improve Compliance	Completed	CEO		
Review Sharepoint System	Dec-22	DCEO		
Review Information Management Framework	Dec-22	DCEO		
Information Management Staff Training	Ongoing	DCEO		
Review Record Keeping Plan	Completed	DCEO		

Employment Practices			Risk	Control
			Moderate	Adequate
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).				
Actions	Due Date	Responsibility		
Develop a Health and Wellbeing Program	Implementing	CEO & DCEO		
Review Workforce Plan	Dec-22	CEO & DCEO		
Create Checklist for Human Resource Management Framework	Completed	CEO & DCEO		
Update Training Register & Develop 2022/2023 Training Program	May-22	CEO & DCEO		
Review Staff Induction Process	Mar-20	DCEO		
Conduct Annual Drivers License Checks	Annually in Apr	DCEO		
Conduct Annual Performance Reviews	Annually in Apr	CEO & DCEO		

Engagement Practices			Risk	Control
			Moderate	Adequate
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.				
Actions	Due Date	Responsibility		
Review Community Complaints, Feedback & Request Handling Process	Dec-22	CEO & DCEO		
Review Community Engagement Policy & Framework	Aug-23	CEO, DCEO & CDO		
Conduct Community Satisfaction Survey	Sep-24	CEO & CDO		
Review Process For Customer Response Requests	Dec-22	DCEO		
Review Customer Service Charter (every two years)	As Required	DCEO		
Review Customer Service Charter (every two years)	Sep-24	EGO		
Update Complaint Register (in accordance to Act)	As Required	DCEO		

Environment Management			Risk	Control
			Moderate	Adequate
Inadequate prevention, identification, enforcement and management of environmental issues.				
Actions	Due Date	Responsibility		
Develop Waste Water Management Plan & Program	Jun-23	CEO		
Develop Waste Management Plan & Program	Jun-23	CEO		
Complete Audit of Sewage System	Completed	CEO		
Address Compliance of Waste Management	Ongoing	CEO		
Address Compliance of Waste Water Re-Use	Sep-22	CEO		

Errors, Omissions & Delays			Risk	Control
			Moderate	Adequate
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.				
Actions	Due Date	Responsibility		
Review Employee Code of Conduct	Jul-23	CEO & EGO		
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO		
Centralise Checklists, Controls and Procedures	Dec-22	CEO & DCEO		
Review Customer Service Complaints & Request Process to include Snap Send Solve	Dec-22	DCEO		

External Theft & Fraud (Including Cyber)			Risk	Control
			Moderate	Adequate
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).				
Actions	Due Date	Responsibility		
Review Access Controls to Include Key Register	No Date	CEO & DCEO		
Photographic Record of Minor Assets & Align With Minor Assets Register >\$5,000	Dec-22	DCEO		
Implement Quarterly Schedule For Changing Passwords	Ongoing	DCEO		
Review Security and Storage of Records	Aug-23	DCEO		
Document Financial Management System	Dec-23	DCEO		

Management of Facilities / Venues / Events			Risk	Control
			Low	Adequate
Failure to effectively manage the day to day operations of facilities, venues and / or events.				

IT or Communication Systems and Infrastructure			Risk	Control
			Moderate	Adequate
Disruption, financial loss or damage to reputation from a failure of information technology systems. 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.				

Misconduct			Risk	Control
			Moderate	Adequate
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.				

Shire of Dowerin Risk Dashboard Report - December 2022

Actions	Due Date	Responsibility
Develop Event Management Framework	Dec-23	CDO
Develop Reserves Management Register	Completed	DCEO
Create Inspection and Maintenance Schedules for Event Equipment	Oct-23	CDO
Undertake Community Facilities Review	Aug-22	CEO & CDO
Public Buildings Inspected Annually for Compliance	Nov-23	CEO

Actions	Due Date	Responsibility
Develop IT Disaster Recovery Plan	Dec-22	DCEO
Review IT Management Service Level Agreement	Jan-24	DCEO
Document IT Infrastructure Replacement Program	Dec-22	DCEO
Develop Secure Password Procedure	Dec-22	DCEO
Develop Secure Password Procedure	Completed	DCEO
Replacement of Phone System	Sep-21	DCEO
Document IT System Framework & Services	Jun-21	DCEO

Actions	Due Date	Responsibility
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO
Centralise Checklists, Controls and Procedures	Jun-21	CEO & DCEO
Review Fuel Stock Control and Process	Completed	DCEO
Present Regulation 17 Review to Audit & Risk Committee - Every 3 Years	Dec-22	CEO
Review Purchasing Policy & Procurement Process	Dec-22	DCEO
Review Social Media Policy 3.11	Dec-22	EGO
Review Code of Conduct (Councillor)	Jul-23	CEO & EGO
Conduct Drivers Licence Check Annually	April Annually	CEO & DCEO

Project / Change Management	Risk	Control
	Moderate	Adequate
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.		
Actions	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-22	DCEO
Review Communication and Engagement Framework	Aug-23	CEO & CDO

Safety and Security Practices	Risk	Control
	Moderate	Adequate
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.		
Actions	Due Date	Responsibility
Review Hazard Register	Annually	CEO & DCEO
Update Staff Training Register	Ongoing	CEO & DCEO
Conduct Quarterly Workplace Inspections	Quarterly	CEO
Safe Work Method Statements (SWMS) Library	May-22	CEO
Assess Shire Building and Facility Safety and Security	Nov-23	CEO
Develop Isolated Worker Management Procedure	Oct-22	CEO
Re-Establish WSH Committee & Conduct Bi-Monthly Meetings	Monthly	CEO
Review Managing Emergencies In Shire Facilities	Dec-23	CEO & DCEO
Conduct Annual BCP and LEMC Drills	Dec-23	CEO
Review Contractor Inductions and Register	Jun-22	CEO

Supplier / Contract Management	Risk	Control
	Moderate	Adequate
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.		
Actions	Due Date	Responsibility
Review Purchasing Policy	Dep 23	CEO & DCEO
Develop Standardised Contracts	Ongoing	CEO & DCEO
Document Financial Controls	Ongoing	DCEO
Develop Appropriate Financial Reporting Tools	Ongoing	DCEO
Develop Centralised Contract Management System	Ongoing	CEO & DCEO

Asset Management Practices

Dec-22

Risk Context

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds 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 timely & appropriate maintenance / inspections
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Key Controls	Type	Last Reviewed	Rating
Roads Maintenance Program	Preventative	Sep-22	Adequate
Road Asset Management Program (RAMM)	Preventative	Jul-22	Adequate
Fleet and Plant Maintenance Program	Preventative	Sep-22	Adequate
Building Maintenance Program	Preventative	Jun-22	Adequate
Asset Management Plan	Preventative	Sep-22	Adequate
Plant Replacement Program	Preventative	Sep-22	Adequate
Sewerage Maintenance Plan & Program	Preventative	Oct-19	Inadequate
Road Strategy	Preventative	Jun-21	Adequate
Stock Control Systems (Fuel)	Preventative	Jun-21	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Revaluation of Road Assets	Jun-23	CEO
Revaluation of Sewerage System	Jun-25	CEO
Revaluation of Other Infrastructure	Jun-25	DCEO
Revaluation of Land & Buildings	Jun-25	DCEO
Update RAMM Annually	Jun-23	CEO
Link Building Maintenance Schedule to AMP	Sep-22	DCEO
Review Asset Management Plan	Completed	CEO & DCEO
Review LTFP and Link to AMP	Completed	DCEO
Review Fuel Stock Control System	Completed	CEO
Implement New Fuel Stock Control System	Completed	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Asset Renewal Funding Ratio	95%-105%	92%	
Asset Consumption Ratio	60%-75%	59%	
Asset Sustainability Ratio	90%-110%	69%	
AMP & LTFP	Reviewed Annually	Completed	Improving
Accidents and / or Damage to Property	<2 Per Quarter	10 for Quarter	Improving

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:

Maintain assets at a suitable level from procurement to disposal.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Partial	Partial	No	No	
CEO	Yes	Yes	Partial	Yes	No	
DCEO	Yes	Yes	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	No	No	No	No	No	
CEO	Yes	Yes	Yes	Yes	No	
DCEO	Yes	Yes	Yes	Yes	Partial	Risk of fraud is minimal

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Completed 2020 *
			Revaluation completed June 2022
			Revaluation completed June 2022
			Revaluation completed June 2022
			Data updated in RAMMS; 22/23 program to be loaded throughout year
Dec-20	Apr-21	Jun-22	Rescheduled for September 2023
			Adopted September 2023
			Reviewed AMP & LTFP adopted

KPI / Action Data			
2022	2021	2020	Comments
<i>Not Rated</i>	92%	140%	No longer a reporting requirement for Band 4; KPI to be reviewed
<i>Not Rated</i>	59%	60%	No longer a reporting requirement for Band 4; KPI to be reviewed
<i>Not Rated</i>	69%	83%	No longer a reporting requirement for Band 4; KPI to be reviewed
<i>Completed</i>			AMP & LTFP reviewed & adopted
3	8	8	Rate quarterly

Additional / Final Comments

Reviewed by Management Team - December 2022
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Business & Community Disruption

Dec-22

Risk Context

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

Key Controls	Type	Last Reviewed	Rating
Local Emergency Management Arrangements (LEMA)	Preventative	Oct 19	Adequate
Business Continuity Plan	Preventative	Aug 22	Adequate
Managing Emergencies in Shire Facilities	Preventative	Dec 16	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Annual LEM Exercise Undertaken	Jun 23	CEO
Review Business Continuity Plan	Aug 24	CEO
Business Continuity Plan Drill to be Undertaken Annually	Dec 23	CEO & DCEO
Develop IT Disaster Recovery Plan	Dec 22	DCEO
Fire Breaks Inspected and Enforced Annually	Nov 23	DCEO
Fire Fighting Equipment Maintained and Serviced Annually	Aug 23	CEO
Wardens (Internal) - Training of New Wardens	Completed	CEO & DCEO
Admin Generator Maintained and Serviced	Monthly	CEO
Review Managing Emergencies in Shire Facilities	Jun 22	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Missed LEMC Committee Meetings	1 per annum	2	Improving
Number of Firebreak Infringements Issued	5 per annum	2	Constant
LEM Annual Exercise Undertaken	1 per annum	1	Improving
BCP Annual Exercise Undertaken	1 per annum	1	Constant

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Service Interruption; Reputation; Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective: To continue delivery of critical services at acceptable levels following a disruption

Control Assurance

Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Completed June 2022; Next due June 2023
			Reviewed August 2022; Next due August 2024
			Completed December 2022; Next due December 2022
Dec-20	Jun-21	Dec-22	Deferred until DCEO can review IT system & controls; IT provider to advise schedule
			Inspected November 2022
			Inspections completed; Next inspection August 2023
			Inspections included in maintenance schedule
Jun-20	Dec-21	Jun-22	Deferred; Scheduled to complete December 2023

KPI / Action Data

2020	2021	2022	Comments
1	1	1	3 meetings held in 2022
2	0	0	
Nil	Nil	1	Conducted June 2022
1	1	1	Conducted December 2022

Additional / Final Comments

Reviewed by Management Team - December 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Failure to fulfil Compliance Requirements (Statutory and Regulatory)

Dec-22

Risk Context
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.
It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.
It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices").

Potential causes include;	
Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff / Councillor 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

Key Controls	Type	Last Reviewed	Rating
Governance Management Framework	Preventative	Ongoing	Adequate
Information Management System	Preventative	Unknown	Adequate
Human Resource Management Framework	Preventative	Ongoing	Adequate
Access to Accurate & Current Legislation & Regulations	Preventative	Ongoing	Adequate
Governance Calendar	Preventative	Ongoing	Adequate
Council & Staff Inductions	Preventative	Ongoing	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Document Governance Framework	Dec-22	CEO & EGO
Continue Implementation of Training Program for Councillors and Staff	Ongoing	CEO, DCEO & EGO
Review Councillor Induction Manual - Every 2 Years	Sep-23	EGO
Review Human Resource Management Framework	Dec-22	CEO & DCEO
Review Information Management System	Dec-22	DCEO
End of Year Financial Audit - Prepare	Sep-23	DCEO
Interim Audit Finding 30 June 2022 - Action of Findings	Completed	DCEO
Interim Audit Finding 30 June 2020 - Review of AMP & LTFP	Completed	CEO & DCEO
Audit Finding 30 June 2022 - Action of Findings	Jun-23	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Financial and Performance Audit Qualifications	Unqualified Audit	Unqualified Audit	Improving
Compliance Audit Return	As per legislated	Compliant	Constant
Financial Management System Review (Every 3 Years)	As per legislated	Compliant	Constant
CEO Regulation 17 Review (Every 3 Years)	As per legislated	Compliant	Worsening
Freedom of Information Statistical Return	As per legislated	Compliant	Constant
Annual Waste & Recycling Data Reporting	As per legislated	Compliant	Constant
Regulation 53 of Building Regulations 2021 (Pool Inspections)	As per legislated	Compliant	Constant
Food Act 2008 & Public Health Act 2016 Reporting	As per legislated	Compliant	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:
Compliance with Statutory and Regulatory Local Government obligations, including the Local Government Act, Planning & Development Act, Health Act, Building Act and Freedom of Information Act

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
EGO	No	No	Yes	Yes	No	Documentation not required
EGO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Jun-22	Progressing; Extended completion to December 2023 due to other priorities
			Progressing
			Completed September 2021; Next review due September 2023
Ongoing	Feb-21	Jun-22	Progressing; Extended completion to December 2023 due to other priorities
Dec-20	Feb-21	Dec-22	Commenced; Expected to be finalised by September 2023
			Financials Year Ending 2021/22 completed
			Findings addressed and system updated
Dec-20	Apr-21	Apr-22	
			Fair value of land & buildings & infrastructure assets to be assessed June 2023

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified Audit</i>	<i>Unqualified Audit</i>	<i>Unqualified Audit</i>	Rated annually in December
<i>Compliant</i>	<i>Compliant</i>	<i>Compliant</i>	Completed February 2022; Rated annually in March
<i>Not Rated</i>	<i>Not Rated</i>	<i>Compliant</i>	Reviewed November 2022; Next due October 2025
<i>Compliant</i>	<i>Not Rated</i>		Last reviewed September 2019; Due December 2022; Scheduled for February 2023
<i>Compliant</i>	<i>Compliant</i>	<i>Compliant</i>	Submitted July 2022; Rated annually in July
<i>Compliant</i>	<i>Compliant</i>	<i>Compliant</i>	Submitted October 2022; Rated annually in October
<i>Not Rated</i>	<i>Non-Compliant</i>	<i>Compliant</i>	Every 3 years; Inspections completed November 2022; Next due November 2025
<i>Compliant</i>	<i>Compliant</i>	<i>Compliant</i>	Rated annually in August; Next due August 2023

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Document Management Processes

Dec-22

Risk Context

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;

Incompatible systems	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

Key Controls	Type	Last Reviewed	Rating
Information Management Framework	Preventative	Dec-20	Adequate
Governance Management Framework	Preventative	Ongoing	Adequate
Recordkeeping Plan	Preventative	Sep-22	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Completed	DCEO
Refurbishment of Archive Room to Improve Compliance	Completed	CEO
Review Sharepoint System	Dec-22	DCEO
Review Information Management Framework	Dec-22	DCEO
Information Management Staff Training	Ongoing	DCEO
Review Record Keeping Plan	Completed	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Information Management Framework	Reviewed Annually	Not Rated	Constant
Archives	As legislated	Compliant	Constant
Record Keeping Plan Completed	As legislated	Not Rated	Improving

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:

Adequately capture, store, archive, retrieve, provide and ultimately dispose of Shire documentation

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Partial	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			
Completed			
Jun-21	Dec-21	Apr-22	Review underway, expected to be finalised by June 2023
Jun-20	Jun-21	Jun-22	Progressing; Extended completion to Dec 23 due to other priorities
Ongoing			Form part of Induction Process
Jun-21	Dec-21	Jun-22	Completed

KPI / Action Data			
2020	2021	2022	Comments
<i>Not Rated</i>	<i>Not Rated</i>	<i>Not Rated</i>	Rate annually in December
<i>Compliant</i>	<i>Compliant</i>	<i>Compliant</i>	Recorded & destroyed as per R&D Schedule; Rate annually in December
<i>Not Rated</i>	<i>Non Compliant</i>	<i>Completed</i>	RKP Compliant

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Employment Practices Dec-22

Risk Context

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	Last Reviewed	Rating
Workforce Plan	Preventative	May-19	Effective
Human Resource Management Framework	Preventative	May-19	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Develop a Health and Wellbeing Program	Implementing	CEO & DCEO
Review Workforce Plan	Dec-22	CEO & DCEO
Create Checklist for Human Resource Management Framework	Completed	CEO & DCEO
Update Training Register & Develop 2022/2023 Training Program	May-22	CEO & DCEO
Review Staff Induction Process	Mar-20	DCEO
Conduct Annual Drivers License Checks	Annually in Apr	DCEO
Conduct Annual Performance Reviews	Annually in Apr	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Training Program (% Completed)	90% per annum	Not rated	
Absenteeism (% of Personal)	> 10 days per FTE	32%	
Absenteeism (% Unpaid Leave)	> 0 days per FTE	41%	
Employee Turnover (% Turnover Rate of Permanent Staff)	10%	Not rated	
Performance Reviews (% Completed)	100% per annum	100%	Constant
Annual Drivers Licenses (% Completed Checks)	100% per annum	100%	Constant
Workers Compensation Claims	< 1 per annum	1	Improving

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Health / Reputational / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Notes:
 Australian Public Service Commission
 .id informed decisions
 CEMI (UWA)
 National turnover 8.5%

Objective:
 Effective management and leadership of human resources (full-time, part-time, casual, temporary and volunteer).

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Implementing 2023 Plan
Apr-20	Mar-21	Jul-22	Review underway, expected to complete June 2023
Jun-20	Jun-21	Jun-22	Checklist is place; refining framework continues
			Live document in place
Mar-20	Sep-20	Jun-22	Review near complete
			Conducted check during performance review process in April 2023
			Performance reviews conducted during April/May 2023

KPI / Action Data			
2020	2021	2022	Comments
	Not Rated	Not Rated	Control not in place to rate indicator
	Not Rated	32%	KPI to be reviewed to consider tolerance and measure
	Not Rated	1.20%	KPI to be reviewed to consider tolerance and measure
	Not Rated	53.96%	KPI to be reviewed to consider tolerance and measure
100%	100%	100%	Rate annually in June
100%	100%	100%	Rate annually in June
2	4	2	Rate annually in June; 2020 cases (x2) closed in 2020/2021; 1 current cases

Additional / Final Comments

Reviewed by Management Team - December 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Engagement Practices

Dec-22

Risk Context

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.

Objective:
Effective working relationships (communication, feedback & consultation) with the Community, local Media, Stakeholders, key Private Sector Companies, Government Agencies and Elected Members.

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

Key Controls	Type	Last Reviewed	Rating
Community & Engagement Framework	Preventative	Sep-21	Adequate
Communication & Engagement Policy	Preventative	Sep-21	Adequate
Complaint Handling Process	Preventative	Jun-21	Adequate
Community Satisfaction Survey	Detective	Sep-22	Adequate
Customer Service Charter	Preventative	Sep-22	Adequate
Overall Control Ratings:			Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant

Actions (Treatments)	Due Date	Responsibility
Review Community Complaints, Feedback & Request Handling Process	Dec-22	CEO & DCEO
Review Community Engagement Policy & Framework	Aug-23	CEO, DCEO & CDO
Conduct Community Satisfaction Survey	Sep-24	CEO & CDO
Review Process For Customer Response Requests	Dec-22	DCEO
Review Customer Service Charter (every two years)	Sep-24	EGO
Update Complaint Register (in accordance to Act)	As Required	DCEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Sep-19	Jun-20	Apr-22	Reviewed in conjunction with SharePoint review; currently underway
			Review every 2 years; Due August 2023
			Completed Septmeber 2022; next due Septemebr 2024
Jun-22			Reviewed in conjunction with SharePoint review; currently underway
			Completed September 2022; Next due September 2024
			Register available on Shire website & update as required

Key Performance Indicators	Tolerance	Latest Result	Trend
Number Complaints from the Community Not Responded To	<3 per quarter	Not Rated	
Community Satisfaction Survey - Council Leadership within the Community	80% Satisfaction	70%	Worsening
Community Satisfaction Survey - How the community is consulted & informed about local issues	80% Satisfaction	56%	Worsening
Community Engagement Framework	Completed	Completed	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Not Rated</i>	<i>Not Rated</i>	<i>Not Rated</i>	Rated annually in December; control to be identified to capture indicator
<i>75%</i>	<i>Not Rated</i>	<i>70%</i>	Rated biannually in December; Next due 2024
<i>75%</i>	<i>Not Rated</i>	<i>56%</i>	Rated biannually in December; Next due 2024
<i>Not Rated</i>	<i>Completed</i>		Rate in December; Next due 2023

Residual Risk Rating

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

Additional / Final Comments

Reviewed by Management Team - December 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Environment Management

Dec-22

Risk Context

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.

Objective:

Effective management and protection of our environment

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)

Key Controls	Type	Last Reviewed	Rating
Road Engineering & Subdivision Policy (4.4)	Preventative	May-19	Adequate
Recycled Water Management Plan & Program	Preventative		Adequate
Contaminated Sites Register	Preventative	Jun-22	Adequate
Waste Management Plan & Program	Preventative		Not Rated
Overall Control Ratings:			Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	In Draft
CEO	Yes	Yes	Yes	Yes	No	
CEO	No	No	No	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Waste Water Management Plan & Program	Jun-23	CEO
Develop Waste Management Plan & Program	Jun-23	CEO
Complete Audit of Sewage System	Completed	CEO
Valuation of Sewage System	Jun-25	CEO
Address Compliance of Waste Management	Ongoing	CEO
Preparation of Refuse Site Closure Plan	Dec-22	CEO
Address Compliance of Waste Water Re-Use	Sep-22	CEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-22		Plan in draft
Dec-20	Jun-21	Jun-22	Deferred; not considered a priority at present
Completed			
Completed			Completed June 2022; Next due June 2025
Ongoing			CEO to determine & identify any gaps
			Contractor engaged
Jun-21	Jun-22	Sep-22	Recycled Water Quality Management Plan in draft

Key Performance Indicators	Tolerance	Latest Result	Trend
Annual Waste & Recycling Data Reporting	As per legislated	Completed	Constant
Satisfactory Water Sampling For Water Re-Use	100%	Completed	Constant
Asbestos Register	As per legislated	Maintained	Constant
Contaminated Site Register	As per legislated	Maintained	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Submitted</i>	<i>Submitted</i>	<i>Submitted</i>	Completed as per statutory requirements; Next due October 2022
<i>100%</i>	<i>100%</i>	<i>100%</i>	Water sampling conducted monthly during irrigation season
<i>Maintained</i>	<i>Maintained</i>	<i>Maintained</i>	Last reviewed June 2021; Review annually in June
<i>Maintained</i>	<i>Maintained</i>	<i>Maintained</i>	Maintained

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Environment / Reputation / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Additional / Final Comments
Reviewed by Management Team - December 2022

Errors, Omissions & Delays

Dec-22

Risk Context

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"

Objective:

Minimal errors, omissions or delays in service delivery and advisory activities

Potential causes include;

Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Unrealistic expectations from community, council or management	Health issues
Poor use of check sheets / FAQ's	Lack of understanding

Key Controls	Type	Date	Rating
Checklists and Documented Procedures	Preventative	Nov-19	Adequate
Complaints Register	Preventative	Nov-19	Adequate
Complaints Process	Recovery	Nov-19	Adequate
Councillor Information Bulletin	Preventative	Nov-19	Adequate
Customer Service Charter	Preventative	Nov-19	Adequate
Delegations & Register	Preventative	Nov-19	Adequate
Electronic Records - Sharepoint	Recovery	Nov-19	Adequate
External Communications (website, news articles)	Preventative	Nov-19	Adequate
External Consultants (ie. legal)	Preventative	Nov-19	Adequate
Customer Service Request Procedure	Preventative	Nov-19	Adequate
File Note/Documentation	Preventative	Nov-19	Adequate
Internal Communications (staff newsletter, regular meetings)	Preventative	Nov-19	Adequate
Performance Reviews	Preventative	Nov-19	Adequate
Qualified Building, Health & Planning Officers	Preventative	Nov-19	Adequate
Segregation of Duties (financial control)	Preventative	Nov-19	Adequate
Staff Inductions	Preventative	Nov-19	Adequate
Staff Training (formal & on-the-job)	Preventative	Nov-19	Effective
Council Motions Register	Preventative	Nov-19	Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	Partial	
All Staff	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
SMT	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
EGO	Yes	Yes	Yes	Yes	No	

Workforce Plan	Preventative	Nov-19	Adequate
Overall Control Ratings:			Adequate
Actions (Treatments)			
		Due Date	Responsibility
Review Employee Code of Conduct		Jul-23	CEO & EGO
Review and Document Organisations Controls and Systems		Ongoing	CEO & DCEO
Centralise Checklists, Controls and Procedures		Dec-22	CEO & DCEO
Review Customer Service Complaints & Request Process to include Snap Send Solve		Dec-22	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Legal Claims	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (minor)	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (major)	0	0	Constant
Referral to SAT/Ombudsman/Public Sector Commission	0	0	Constant
Number of Complaints to Local Government Standards Panel	0	0	Constant
External Audit Qualification	Unqualified Audits	Unqualified Audit	Constant
Staff Training Target Met	90%	Not Rated	

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Compliance	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

CEO; DCEO	Yes	Yes	Yes	Yes	No	
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Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			July 2022 presented to all staff, next due July 2023
			Continuous improvement
Dec-20	Jun-21	Jun-22	Progressing as part of the review of SharePoint
Jun-22			Progressing as part of the review of SharePoint

KPI / Action Data			
2020	2021	2022	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
0	0	0	Rate annually in June
Unqualified Audit	Unqualified Audit	Unqualified Audit	Rate annually in December
Not Rated	Unable to Rate	Unable to Rate	Rate annually in June; Control to be identified to rate indicator

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

External Theft & Fraud (Including Cyber)

Dec-22

Risk Context

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	Last Reviewed	Rating
Building Security Access Controls (Keys and Keypad Access)	Preventative	Unknown	Adequate
Equipment Storage and Access Controls	Preventative	Unknown	Adequate
IT Security Framework (Passwords and Security Protocols)	Preventative	Sep-19	Adequate
Financial Management System	Preventative	Sep-19	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Review Access Controls to Include Key Register	No Date	CEO & DCEO
Photographic Record of Minor Assets & Align With Minor Assets Register >\$5,000	Dec-22	DCEO
Implement Quarterly Schedule For Changing Passwords	Ongoing	DCEO
Review Security and Storage of Records	Aug-23	DCEO
Document Financial Management System	Dec-23	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
Number of Incidents of Theft or Fraud	0	0	Constant
Passwords Changed Quarterly	100%	100%	Constant

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial / Property	Consequence:	Minor (2)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:

To prevent a loss of funds, assets, data or unauthorised access by external parties

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	No	Partial	
CEO	Partial	Partial	Partial	No	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Dec-21	Progress stalled, no due date set
Jun-20			Progressing
			Secure password policy in place; reset passwords every 90 days
			Last reviewed August 2022; next due August 2023
Oct-21	Dec-22	Dec-23	Commenced, expected to finalise in December 2023

KPI / Action Data			
2020	2021	2022	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
100%	100%	100%	Rate annually in June

Additional / Final Comments

Reviewed by Management Team - December 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Management of Facilities / Venues / Events

Dec-22

Risk Context
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)

Objective:
Effective management of the day to day operations of facilities, venues and events.

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.
Falsifying hiring agreements (alcohol on site / lower deposit)	Failed safety / chemical / health requirements
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)

Key Controls	Type	Last Reviewed	Rating
Event Management Framework	Preventative	May-19	Adequate
Building Maintenance Program	Preventative	May-19	Adequate
Facility / Venue Booking System	Preventative	May-19	Adequate
Reserves Management System	Preventative	May-19	Adequate
Asset Management Plan	Preventative	May-19	Adequate
Statutory Public Building Compliance Program	Preventative	Nov-21	Adequate
Overall Control Ratings:			Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Partial	Yes	No	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	No	No	No	
CEO; DCEO	Partial	Partial	Partial	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Event Management Framework	Dec-23	CDO
Develop Reserves Management Register	Completed	DCEO
Create Inspection and Maintenance Schedules for Event Equipment	Oct-23	CDO
Undertake Community Facilities Review	Aug-22	CEO & CDO
Public Buildings Inspected Annually for Compliance	Nov-23	CEO
Develop Wheatbelt Heritage Rail Management Plan	Jun-23	CEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Mar-20	Jun-20	Jun-22	Event Management Plan in place, yet to complete framework; extend to Dec 2023
			Completed
Dec-19	Mar-20	Jun-22	Extend to October 2023 due to other priorities
Jun-20	Feb-21	Jun-22	Near completion
Dec-20	Nov-21	Apr-22	Inspections completed November 2022: Next due November 2023
			Not commenced

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Injuries / Incidents at Events	0	0	Constant
Number of Injuries / Incidents at Facilities	0	0	Constant
Customer Satisfaction Survey - Facilities	<65%	83%	Improving
Compliance of Events and Facilities	>90%	90%	Constant
Reserves Management Register	Maintained	Not Rated	

KPI / Action Data			
2020	2021	2022	Comments
0	0	0	Rate annually in June
0	0	0	Rate annually in June
81%	Not Rated	83%	Rated every 2 years; Due September 2024
90%	Not Rated	Compliant	Rated every 2 years; Due September 2024
Not Rated	Maintained	Maintained	New indicator; Rate in December 2022

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	Minor (2)
	Likelihood:	Unlikely (2)
	Overall Risk Ratings:	Low

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

IT or Communication Systems and Infrastructure

Dec-22

Risk Context

Disruption, financial loss or damage to reputation from a failure of information technology systems. 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 licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery Processes
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Software vulnerability	Equipment purchases without input from IT department
Incompatibility between operating systems	Vulnerability to user error

Key Controls	Type	Last Reviewed	Rating
IT Infrastructure Replacement Program	Preventative	Jul-20	Adequate
IT Management Service Level Agreement	Detective	Early 2018	Adequate
IT Managed Service Agreement Monthly Report	Detective	Monthly	Adequate
IT Disaster Recovery Plan	Recovery		Not Rated
IT System Access Framework	Preventative		Adequate
Secure Password Procedure	Preventative		Adequate
Advanced Email Protection	Preventative	Aug-20	Effective
Overall Control Ratings:			Adequate

Actions	Due Date	Responsibility
Develop IT Disaster Recovery Plan	Dec-22	DCEO
Review IT Management Service Level Agreement	Jan-24	DCEO
Document IT Infrastructure Replacement Program	Dec-22	DCEO
Develop Secure Password Procedure	Completed	DCEO
Replacement of Phone System	Completed	DCEO
Document IT System Framework & Services	Dec-22	DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
IT Replacement Program	Developed	Not rated	Constant
IT Disaster Recovery Plan	Developed	Not rated	Constant
Advanced Email Protection	Installed	Installed	Constant
IT System Access Framework	Developed	Not rated	Constant
Document Secure Password Procedure	Developed	Not rated	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Disruption / Financial	Consequence:	Major (4)
	Likelihood:	Likely (4)
	Overall Risk Ratings:	Moderate

Objective:

Stability and performance of information technology and communication systems

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; DCEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; DCEO	Yes	Yes	Yes	Yes		Due June 2021
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-21	Dec-22	Linked with IT Framework & Services
			Provision of Managed Information Services expires in 2024
Mar-20	Dec-20	Jun-22	Linked with IT Framework & Services
			Procedure implemented
Sep-21	Completed		VOIP system installed
Mar-21	Jun-21	Dec-22	Deferred until December 2023

KPI / Action Data			
2020	2021	2022	Comments
0	0	0	Rate annually in June
Not rated	Completed	Not rated	Rating based on completion
Not rated	Not rated	Not rated	Rating based on completion
Installed	Maintained	Maintained	System remains in place
Not rated	Not rated	Not rated	Rating based on completion
Not rated	Completed	Maintained	Rating based on completion

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Misconduct

Dec-22

Risk Context

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, 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.

Objective:

Compliance with our Code of Conduct

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
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
Disgruntled employees	Sharing of confidential information

Key Controls	Type	Last Reviewed	Rating
Delegations Register	Preventative	May-20	Adequate
Staff Recruitment Process (includes Police Clearance)	Preventative	Feb-19	Adequate
Staff Inductions	Preventative	Aug-20	Adequate
External Audits	Preventative	May-20	Adequate
Annual Drivers Licence Checks	Preventative	Feb-20	Adequate
Social Media Policy	Preventative	Apr-20	Adequate
Segregation of Duties (Financial)	Preventative	Jul-20	Adequate
Financial Management Policy	Preventative	May-20	Adequate
Financial Authorisation Policy	Preventative	May-20	Adequate
Delegation Control - Synergy	Preventative	Jul-20	Adequate
Financial Interests Returns Declarations	Preventative	Ongoing	Adequate
Primary and Annual Returns Process	Preventative	Aug-20	Adequate
Procurement Delegation Control - Synergy	Preventative	Ongoing	Adequate
Petty Cash Policy	Preventative	May-20	Adequate
Corporate Credit Card Policy	Preventative	Apr-21	Adequate
Delegated Authority for Procurement	Preventative	May-20	Adequate
Elected Member Training Plan	Preventative	Ongoing	Adequate
Audit & Risk Committee Terms of Reference	Preventative	Nov-19	Adequate
IT Security Access Register (Profiles & Passwords)	Preventative	90 Days	Adequate
Purchasing Policy & Procurement Process	Preventative	Jul-20	Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	Partial	
CEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Tender Procurement Process	Preventative	Unknown	Adequate
Financial Management Systems Review	Preventative	Sep-19	Adequate
Regulation 17 Review	Preventative	Dec-19	Adequate
Related Parties Disclosures Policy	Preventative	Jan-19	Adequate
Council Member Communication & Use of Social Media Policy	Preventative	Introduced	Adequate
Code of Conduct	Preventative	Feb-21	Adequate
Overall Control Ratings:			Adequate

CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Actions (Treatments)	Due Date	Responsibility
Review and Document Organisations Controls and Systems	Ongoing	CEO & DCEO
Centralise Checklists, Controls and Procedures	Jun-21	CEO & DCEO
Review Fuel Stock Control and Process	Completed	DCEO
Present Regulation 17 Review to Audit & Risk Committee - Every 3 Years	Dec-22	CEO
Review Purchasing Policy & Procurement Process	Dec-22	DCEO
Review Social Media Policy 3.11	Dec-22	EGO
Review Code of Conduct (Councillor)	Jul-23	CEO & EGO
Prepare Credit Card Procedure	Completed	DCEO
Conduct Drivers Licence Check Annually	April Annually	CEO & DCEO

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Ongoing		Progressing
Dec-20	Jun-21	Jun-22	Underway as part of SharePoint review
May-20	Apr-21		Processed reviewed & procedures implemented for fuel & materials
			Scheduled for February 2022
Mar-20	Completed		Scheduled to complete end April 2023
Oct-19	Completed		Reviewed April 2020; introduced Council Member Communication & Use of Social Media Policy December 2019; Due for review
Completed			
Sep-21	Completed		Credit Card authorisation forms and agreements in place
			Last checked April 22; Next check April 2023

Key Performance Indicators	Tolerance	Latest Result	Trend
Unqualified External Audits (# of Significant Findings)	0	Unqualified	Constant
Disregarding or Manipulating Procurement Process	Nil	Not rated	Constant
Breaches of Code of Conduct	Nil	1	Constant
Internal & External Complaints (Minor)	< 1 per quarter	0	Constant
Internal & External Complaints (Major)	0	0	Constant
Adherence to Internal Controls	Nil	Not rated	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified</i>	<i>Unqualified</i>	<i>Unqualified</i>	Rate annually in December
<i>Not rated</i>	35	0	Rate annually in December
0	4	1	Rate annually in December
0	0	0	Rate annually in December
0	0	0	Rate annually in December
<i>Not rated</i>	<i>Unable to Rate</i>	<i>Unable to Rate</i>	Rate annually in December; Control to rate indicator yet to be identified

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

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Project / Change Management

Dec-22

Risk Context

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
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment / materials
External consultants underquoting on costs	Lack of project methodology knowledge and reporting requirements
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	

Key Controls	Type	Last Reviewed	Rating
Project Management Methodology and Framework	Preventative		Not Rated
Communication and Engagement Framework	Preventative		Adequate
Risk Management Framework	Detective	Oct-19	Adequate
Financial Management Framework	Preventative	Mar-17	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-22	DCEO
Review Communication and Engagement Framework	Aug-23	CEO & CDO

Key Performance Indicators	Tolerance	Latest Result	Trend
Minimisation of Project Variations	<90%	Not rated	
Achievement of Project Deadlines / Milestones	<90%	Not rated	
Community Engagement Framework Review (Every 2 Years)	Completed	Not rated	

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Financial / Reputational / Health	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:

Adequate analysis, design, delivery and reporting of projects

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	No	No	No	No	Partial	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Oct-19	Dec-20	Dec-21	Project management templates in place; process yet to be documented
Mar-22			Due to review in August 2023

KPI / Action Data			
2020	2021	2022	Comments
<i>Not rated</i>	<i>Unable to Rate</i>	<i>Not Rated</i>	Rate annually in December; Controls to rate indicator to be identified
<i>Not rated</i>	<i>Unable to Rate</i>	<i>Not Rated</i>	Rate annually in December; Controls to rate indicator to be identified
<i>Not rated</i>	<i>Completed</i>	<i>Not Rated</i>	Rate upon completion; Due August 2023

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Safety and Security Practices

Dec-22

Risk Context

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

Potential causes include;

Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management
Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, contractors and/or tenants.	Inadequate organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc.).
Inadequate supervision, training or mentoring of staff	Slow or inadequate response to notifications from public

Key Controls	Type	Last Reviewed	Rating
Building Security Access Controls (Keys & Keypad Access)	Preventative	Sep-19	Adequate
OSH Management Framework	Preventative	May-17	Adequate
Human Resource Management Framework	Preventative	May-19	Adequate
Governance Management Framework	Preventative	Ongoing	Adequate
Managing Emergencies In Shire Facilities	Preventative	Dec-16	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Review Hazard Register	Annually	CEO & DCEO
Update Staff Training Register	Ongoing	CEO & DCEO
Conduct Quarterly Workplace Inspections	Quarterly	CEO
Safe Work Method Statements (SWMS) Library	May-22	CEO
Assess Shire Building and Facility Safety and Security	Nov-23	CEO
Develop Isolated Worker Management Procedure	Oct-22	CEO
Re-Establish WSH Committee & Conduct Bi-Monthly Meetings	Monthly	CEO
Review Managing Emergencies In Shire Facilities	Dec-23	CEO & DCEO
Conduct Annual BCP and LEMC Drills	Dec-23	CEO
Review Contractor Inductions and Register	Jun-22	CEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Reporting and Management of Incidents	100%	100%	Improving
Failed Safety Inspections	Nil	Nil	Constant
Lost Time Injuries Per Quarter	Nil		Constant
Near Misses Per Quarter	Nil	Nil	Improving
Workers Compensation Claims Per Quarter	Nil	1	Improving
Safety Audit Result % (Every Three Years)	95%	74%	Constant

Objective:

Compliance with the Occupation Safety & Health Act, associated regulations and standards, and the ability to ensure the physical security requirements of staff, contractors and visitors.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	No	No	Partial	
CEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Partial	Partial	Partial	Partial	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Register updated as required
			Inspections schedule prepared
			SMWS in place for all plant; review of SWMS underway
			Completed November 2022; Next due November 2023
			Policy signed off; yet to prepare procedure
			Bi-Monthly meetings conducted
Dec-21	Jun-22	Mar-23	Deferred; Scheduled to complete December 2023
			LEMC drill completed, next due 2023; BCP drill due Dec 2022, next due Dec 2023
			Review completed; contractor inductions conducted as required

KPI / Action Data			
2020	2021	2022	Comments
100%	Unable to Rate	Not Rated	Rated annually in December; Control to be identified to rate indicator
Nil	Unable to Rate	Not Rated	Rated annually in December; Control to be identified to rate indicator
30 Hours	Unable to Rate	Note Rated	Rated annually in December; Control to be identified to rate indicator
Nil	4	0	Rated annually in December
2	2	1	2 overall for 2021/22 (nil for quarter); Rated annually in December
Not rated	74%	Not Rated	Safety Audit completed May 2021

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Health	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Nil

Supplier / Contract Management

Dec-22

Risk Context
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:
<ul style="list-style-type: none"> • 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
Suppliers not willing to provide quotes	Limited availability of suppliers
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining

Key Controls	Type	Last Reviewed	Rating
Annual Budget	Preventative	Mar-21	Adequate
Financial Management Framework	Preventative	Progressing	Adequate
Access to Independent Advice (WALGA/Lawyers) & Peer Review	Preventative	Ongoing	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Review Purchasing Policy	Dep 23	CEO & DCEO
Develop Standardised Contracts	Ongoing	CEO & DCEO
Document Financial Controls	Ongoing	DCEO
Develop Appropriate Financial Reporting Tools	Ongoing	DCEO
Develop Centralised Contract Management System	Ongoing	CEO & DCEO

Key Performance Indicators	Tolerance	Latest Result	Trend
Contracts Reviewed And Maintained	>90%	90%	Constant
Number of Expired Contracts Not Yet Renewed	<1 per quarter	1	Worsening

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Interruption / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective:
Adequate management (including contractual arrangements) of external Suppliers, Contractors, IT Vendors or Consultants engaged for operations.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; DCEO	Yes	Yes	Yes	Yes	No	
CEO; DCEO	Yes	Yes	Yes	Yes	Partial	Risk of fraud is minimal.
CEO; DCEO	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Bi-Annual Review due September 2023
			Standardised MOUs; Service Level Agreements; Tenancy Agreements; Contracts
			Controls in place; constantly reviewing for improvement
			Continuous training to utilise all tools
			Investigating options whilst reviewing SharePoint

KPI / Action Data			
2020	2021	2022	Comments
90%	90%	90%	Rate annually in December
1	1	2	Rate annually in December

Additional / Final Comments
Reviewed by Management Team - December 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Measures of Consequence [V.2 - May 2019 - DRAFT FOR COUNCIL CONSIDERATION]

RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION (Social / Community)	COMPLIANCE	PROPERTY (Plant, Equip, Buildings)	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
								Time	Budget
Insignificant (1)	Near-Miss	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact	Less than \$5,000	Exceeds deadline by 5% of project	Exceeds project budget by 5%
Minor (2)	First Aid Treatment	Short term temporary interruption	Substantiated, localised impact on community trust or	Some temporary non-compliance	Localised damage rectified by	Contained, reversible impact	\$5,001 - \$50,000	Exceeds deadline by 10% of project	Exceeds project budget by 10%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption	Substantiated, public embarrassment	Short term non-compliance but with significant	Localised damage rectified by	Contained, reversible impact	\$50,001 - \$200,000	Exceeds deadline by 15% of project	Exceeds project budget by 15%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional	Substantiated, public embarrassment	Non-compliance results in termination of	Significant damage rectified by	Uncontained, reversible impact	\$200,001 - \$500,000	Exceeds deadline by 20% of project	Exceeds project budget by 20%
Extreme (5)	Fatality, permanent disability	Indeterminate prolonged interruption of	Substantiated, public embarrassment	Non-compliance results in litigation, criminal charges or	Extensive damage rectified by	Uncontained, irreversible impact	More than \$500,000	Exceeds deadline by 25% of project	Exceeds project budget by 25%

Measures of Likelihood

Rating	Description	Frequency
Almost Certain (5)	The event is expected to occur in most circumstances	More than once per year
Likely (4)	The event will probably occur in most circumstances	At least once per year
Possible (3)	The event should occur at some time	At least once in 3 years
Unlikely (2)	The event could occur at some time	At least once in 10 years
Rare (1)	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix

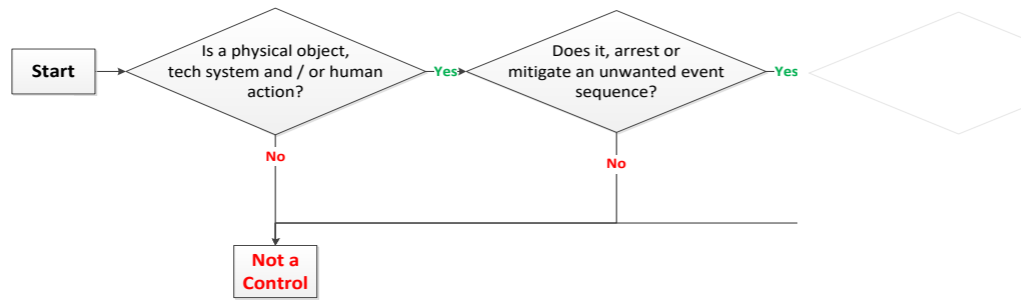
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	DCEO / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings

Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is some scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a need for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.



Lagging Indicator

Indicators relating to a result or outcome. Lag means the indicator will change after something happens. The indicator measures the results of an action. Looks back as to whether the intended result was achieved)

Leading Indicator

Indicators measures an input that leads to a result. Often related to something you can influence. How to produce desired results. Looks forward at future outcomes.

Risk Register - Updated December 2022

Theme	Key Control	Rating	KPI	Comment
Asset Management Practices	Sewerage Maintenance Plan & Program	Indequate		Scheduled to complete December 2023
Asset Management Practices	Asset Renewal Ratio		92%	No longer a reporting requirement for Band 4; KPIs to be reviewed
Asset Management Practices	Asset Consumption Ratio		59%	
Asset Management Practices	Asset Sustainability Ratio		69%	
Compliance Requirements	CEO Regulation 17 Review		Due December 2022	Scheduled for February 2023
Engagement	Community Satisfaction Survey - Council leadership in the community		70%	Worsening
Engagement	Community Satisfaction Survey - How the community is consulted & informed about local		56%	Worsening
Environment Management	Sewerage Maintenance Plan & Program	Inadequate		Scheduled to complete December 2023
Environment Management	Waste Management Plan	Not Rated		Scheduled for December 2023
Management of Facilities/Venues/Events	Event Management Framework	Not Rated		Plan in place; overall framework to be completed
IT or Communication Systems & Infrastructure	IT Disaster Recovery Plan	Not Rated		
Project/Change Management	Project Management Methodology & Framework	Not Rated		Templates in place; procedures to be developed
Safety & Security	Lost Time Injuries Per Quarter	Worsening	144 Hours	Control to be identified to rate indicator

SHIRE OF DOWERIN

Financial Management Review November 2022



SHIRE OF
DOWERIN
TIN DOG TERRITORY

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CONTENTS

EXECUTIVE SUMMARY	i
<i>Introduction.....</i>	<i>i</i>
<i>Purpose Of Review.....</i>	<i>i</i>
<i>Financial Management Review.....</i>	<i>i</i>
<i>Findings.....</i>	<i>ii</i>
<i>Recommendations.....</i>	<i>ix</i>
<i>Opinion.....</i>	<i>xi</i>
1.0 INTRODUCTION.....	1
1.1 <i>Background.....</i>	<i>1</i>
1.2 <i>Purpose of Report.....</i>	<i>2</i>
1.3 <i>Methodology.....</i>	<i>2</i>
2.0 PROPER COLLECTION OF ALL MONEY OWING TO THE SHIRE	3
2.1 <i>Late Payment Interest Charge for Rates.....</i>	<i>3</i>
2.2 <i>Instalment Interest Charge.....</i>	<i>3</i>
2.3 <i>Administration Fee for Rates Instalment Payments.....</i>	<i>3</i>
2.4 <i>Alternative Rates Payment Option Administration Fee.....</i>	<i>3</i>
2.5 <i>Discounts offered on Current Rates.....</i>	<i>3</i>
2.6 <i>Late Payment Interest Charge on Money Owed to the Shire.....</i>	<i>3</i>
2.7 <i>Outstanding Rates Ratio.....</i>	<i>3</i>
2.8 <i>Rating Function and Rates Payments.....</i>	<i>3</i>
2.9 <i>Sundry Debtors.....</i>	<i>5</i>
2.10 <i>Short Stay Accommodation.....</i>	<i>6</i>
2.10 <i>Petty Cash.....</i>	<i>6</i>
2.11 <i>Money Collected from Outstations.....</i>	<i>7</i>
2.12 <i>Home Care Service.....</i>	<i>7</i>
2.13 <i>Policies Relating to Debt Collection.....</i>	<i>10</i>
2.14 <i>Mapped Processes.....</i>	<i>10</i>
3.0 SAFE CUSTODY AND SECURITY OF ALL MONEY COLLECTED AND HELD BY THE SHIRE.....	11
3.1 <i>Money Collected from Outstations.....</i>	<i>11</i>
3.2 <i>Banking of Money Collected.....</i>	<i>11</i>
3.3 <i>Direct Deposit Transfers for Payments.....</i>	<i>11</i>
3.4 <i>Investment of Surplus Funds.....</i>	<i>11</i>
3.5 <i>CYBER AND CRIME Insurance Cover.....</i>	<i>12</i>
4.0 PROPER MAINTENANCE AND SECURITY OF THE SHIRE'S FINANCIAL RECORDS 13	
4.1 <i>Financial and Accounting Responsibility.....</i>	<i>13</i>
4.2 <i>Corporate Information Technology Network.....</i>	<i>13</i>
4.3 <i>Data Backup.....</i>	<i>14</i>
4.4 <i>Electronic Breakdown Insurance.....</i>	<i>14</i>
4.5 <i>Administration Centre Security.....</i>	<i>14</i>
4.6 <i>Storage of Financial Reports.....</i>	<i>14</i>
5.0 ENSURE PROPER ACCOUNTING FOR ALL INCOME, EXPENDITURE, ASSETS, LIABILITIES OF THE MUNICIPAL AND TRUST FUNDS	15
5.1 <i>Accounting Positions and Procedures.....</i>	<i>15</i>

5.2	<i>Municipal Fund Bank Account</i>	15
5.3	<i>Trust Fund</i>	15
5.3	<i>Financial Software System</i>	16
5.4	<i>Position Descriptions and Key Duties and Responsibilities</i>	16
5.5	<i>Professional Development for Staff</i>	16
5.6	<i>Mapped Processes</i>	16
6.0	PROPER AUTHORISATION FOR THE INCURRING OF LIABILITIES AND MAKING OF PAYMENTS	18
6.1	<i>Authorisation of Purchase Orders and Making of Payments</i>	18
6.2	<i>Signing of Cheques and Authorising Electronic Funds Transfers</i>	18
6.3	<i>Corporate Credit Cards and Fuel Cards</i>	18
6.4	<i>Tenders Register</i>	19
6.5	<i>Certification of Invoices for Payment</i>	19
6.6	<i>Purchasing Policy</i>	20
6.7	<i>Compliance with Council's Purchasing Policy</i>	20
6.8	<i>Australian Taxation Office BAS Payments</i>	21
6.9	<i>Mapped Processes</i>	21
7.0	MAINTENANCE OF PAYROLL, STOCK CONTROL AND COSTING RECORDS	22
7.1	<i>Payroll System</i>	22
7.2	<i>Stock Control</i>	22
7.3	<i>Costing Records</i>	22
7.4	<i>Mapped Processes</i>	22
8.0	PREPARATION OF BUDGET ACCOUNTS AND REPORTS REQUIRED BY THE LOCAL GOVERNMENT ACT AND THE FINANCIAL MANAGEMENT REGULATIONS	24
8.1	<i>Preparation of Annual Budget and Annual Financial Report</i>	24
8.2	<i>Plan for the Future</i>	24
8.3	<i>Fees and Charges</i>	24
8.4	<i>Presentation of Monthly Financial Reports to Council</i>	24
9.0	INTERNAL CONTROL EVALUATION	26
10.0	REGISTERS	32
11.0	OTHER MATTERS	33
12.0	FINDINGS	34
13.0	IMPROVEMENT RECOMMENDATIONS	41
14.0	OPINION	43
	ATTACHMENT 1 – SAMPLE POLICIES	44
	ATTACHMENT 2 - INTERNAL CONTROL EVALUATION	48
	ATTACHMENT 3 – MAPPED PROCESSES	112

EXECUTIVE SUMMARY

Introduction

Financial Management Review

Pursuant to Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*, the Chief Executive Officer of a local government is to establish efficient systems and procedures for:

- (a) The proper collection of all money owing to the local government;
- (b) The safe custody and security of all money collected or held by the local government;
- (c) The proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
- (d) Ensuring the proper accounting for municipal or trust-
 - (i.) Revenue received or receivable;
 - (ii.) Expenses paid or payable; and
 - (iii.) Assets and liabilities;
- (e) Ensuring the proper authorisation for the incurring of liabilities and the making of payments;
- (f) The maintenance of payroll, stock control and costing records; and
- (g) Assisting in the preparation of budgets, budget reviews, accounts and reports required by the Act or regulations.

In addition, Regulation 5(2) requires the Chief Executive Officer of a local government to-

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

Purpose Of Review

The Shire of Dowerin appointed Darren Long Consulting to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government (not less than once in every 3 financial years) and report to the local government the results of those reviews.

Financial Management Review

The Financial Management Review will provide the CEO and Council with an independent assessment of the appropriateness and effectiveness of the Shires' Financial Management Systems and whether the Shire has complied with the requirements of the Local Government Act 1995 and the Local Government [Financial Management] Regulations 1996

Proper Collection of All Money Owing to the Shire

- (1) Periodic reviews of non-rateable properties should be performed to ensure any properties granted rate exemption under Section 6.26 of the *Local Government Act 1995* meet the exemption requirements.

To assist with the rate exemption status reviews, a Rate Exemption register should be maintained and record information such as assessment number, property address, suburb/town, ratepayer, use of property, exemption reason, exemption description, review date and land use.

It is suggested the review period be performed at least once every 2 years.

- (2) The Shire's Petty Cash Policy – 3.9 needs to be updated to remove the float for the Dowerin Home Care; and add the \$50 float held for the Home Care Gentle Gym and the \$200 float for the swimming pool.
- (3) There is no evidence to support a check is performed by a supervisor of the CHSP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several CHSP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.
- (4) The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care services provided under a CHSP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to CHSP clients for their contribution to the CHSP services, when in actual fact it should be GST-free. It is suggested the Shire review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$15 to \$14).
- (5) There is no evidence to support a check is performed by a supervisor of the HCP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several HCP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately. It is suggested that the Home Care Coordinator review and sign each HCP debtor invoice batch report to certify the report as being checked to the SMS reports, to strengthen internal controls.
- (6) The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care package services provided under a HCP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to HCP clients for their contribution to the HCP services, when in actual fact it should be GST-free. It is suggested the Shire review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$60 to \$55).

- (7) The July 2021 HCP subsidy of \$31,679.52 received on 17 August 2021 was receipted with GST of \$2,879.96 deducted from the amount, resulting in the Shire overpaying its GST liability. It is suggested the Shire lodge a BAS amendment for August 2021 to claim back the GST overpayment.
- (8) The Accounts Receivable process has the following weakness:
 - (a) There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately. It is suggested that the Deputy CEO review each debtor invoice batch report and certify the report as being checked to strengthen internal controls.
- (9) The Mail/Cashiering process has the following weakness:
 - (a) Cheques or money orders received via the mail are not recorded in the Excel Inwards Mail Register. It is an important internal control function to keep a record of all cheque payments received via the mail. It was noted that the number of cheques received via the mail is very minimal.

Safe Custody and Security of all Money Collected and held by the Shire

- (10) The swimming pool contractor is issued with a \$200 float from the strong room at the beginning of each pool season. There is no record of this float in the balance sheet.
- (11) The Home Care Gentle Gym has a cash float of \$50. There is no record of this float in the balance sheet.
- (12) Cash takings for gentle gym fees are not receipted in Synergy on the day received by Home Care Administration Support Officer (HCASO). The cash received is held until the end of the month and then receipted.
- (13) The Shire has an Investment Register, but it does not meet the requirements of the regulations. Transactions relating to the investments are not recorded in the current register.

Proper Maintenance and Security of the Shire's Financial Records

- (14) The local government does not test and validate data backups regularly.
- (15) The local government does not have an IT Disaster Recovery Plan/Strategy or ICT Data Backup and Recovery guideline

Ensure Proper Accounting for all Income, Expenditure, Assets, Liabilities of the Municipal and Trust Funds

- (16) There are only informal procedures for key financial tasks. It is suggested that these informal procedures be compiled into detailed formalised procedures, with screenshots at critical

stages of the process. This will allow any employee to temporarily fill a position in an emergency and follow the procedure document.

- (17) Sample testing was conducted of the Municipal Fund bank reconciliation for 30 November 2021, 31 December 2021, 30 April 2022, and 30 June 2022. The amounts appearing on the bank statement were verified in the respective bank accounts on the SynergySoft system, with the exception of the list of transactions yet to be recognised in the general ledger listed in the reconciliation itself. The bank reconciliation balance was reported correctly in the Monthly Statement of Financial Activity, however the figures in note 2 show the bank balance and not the general ledger balance. The bank reconciliation for 30 June 2022 was not finalised at time of review. It is suggested the outstanding unrecorded transactions totalling \$296,348.51 listed on the bank reconciliation be processed into the general ledger as a matter of urgency. This will ensure the trial balance of the Shire will reflect the reporting in the Annual Financial Report submitted to the auditors and reduce the potential for errors and imbalances moving forward.
- (18) It is suggested that the Council consider developing a policy on Staff Training and Professional Development, as this is an important avenue for staff to further enhance their skills and knowledge in managing the Shire's financial records.
- (19) The Accounts Payable has the following weaknesses:
 - (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.
- (20) The Accounts Receivable process has the following weakness:
 - (a) There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.
- (21) The Petty Cash process has the following weaknesses:
 - (a) A petty cash recoup form is not utilised to summarise receipts, code each expense transaction and provide a total for the amount of the recoup.
 - (b) When the petty cash recoup is undertaken, it is not reviewed and certified by a supervisor prior to reimbursement and recoup being performed.
 - (c) A supervising officer does not review the petty cash invoice batch report prior to update by the FAO. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.
- (22) The analysis of a sample of 31 payments revealed:
 - (a) There were 2 errors in the GST coding of supplier invoices, resulting in the overclaiming of entitled GST credits.

Proper Authorisation for the Incurring of Liabilities and Making of Payments

- (23) A recent restructure of the organisation has occurred, with several positions being renamed. The Delegations Register and Policy Manual still refer to positions that no longer exist. It is suggested that the Delegations Register and Policy Manual be reviewed in detail, specifically those relating to finance, to ensure the positions and the powers delegated reflect the current organisational structure.
- (24) At the time of inspection of the Tender Register, it was noted that the Register did not contain any particulars of the making of the decision to invite tenders. The Register was updated at the time of review, so no further action is required.
- (25) The review of the lodgement of Business Activity Statements (BAS) highlighted the BAS returns for July, August and September 2022 were lodged after the due date.
- (26) The Accounts Payable process has the following weakness:
 - (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.

Maintenance of Payroll, Stock Control and Costing Records

- (27) Diesel fuel is held as stock on hand. A review of the stock management process highlighted:
 - (a) a stock valuation report was not produced to verify opening balances plus stock movements equals fuel closing balance.
 - (b) the incorrect average price was used for fuel issues during the year, however this was corrected at 30 June 2022 by an adjusting entry.
- (28) The Single Touch Payroll data file was not correctly reconciled to the SynergySoft gross salaries and wages paid data.

Preparation of Budget Accounts and Reports required by the Local Government Act and the Financial Management Regulations

- (29) The local governments Workforce Plan is currently under review.
- (30) The Schedule of Fees and Charges lists CHSP fees and HCP fees as including GST. The Commonwealth Government *GST-free Supply (Care) Determination 2017* provides for these fees to be GST free, as:
 - (a) The Shire receives funding from the Commonwealth in connection with the supply; and
 - (b) The supply is made to a targeted person; and
 - (c) The supply is a listed service for a targeted person.

Internal Control Evaluation

(31) The Internal Control Evaluation has identified the following weaknesses-

- (a) 30-250.1.1 – All sales invoices raised are properly supported/validated with documentation
 - (i) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.
 - (ii) Sales invoices raised not in accordance with Schedule of Fees & Charges.
 - (iii) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.
- (b) 30-250.1.2 – All sales invoices are bona-fide
 - (i) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.
- (c) 30-270.2.2 – All sales invoices are correctly recorded in the accounts
 - (i) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.
 - (ii) There is a lack of segregation between the invoice raiser and the invoice approver.
- (d) 30-270-2-4 – All cash receipts are deposited
 - (i) Bank reconciliations for the months of July 2022 to October 2022 were not finalised and all transactions were not recorded in the financial accounts.
- (e) 30-270.2.5 – All cash sales/miscellaneous receipts are accounted for
 - (i) Investment Register is not maintained for investments in accordance with the Regulations.

It is suggested the investment register be amended to include the information required by Financial Management Regulation 19(2).
 - (ii) Report on Investments not prepared in accordance with Policy 3.2

Policy 3.2 requires a report on investments containing the information in Financial Management Regulation 19(2) be prepared and submitted to Council.

- (f) 30-330.4.1 – Sales invoices are correctly calculated
- (i) A series of fees and charges levied via sales invoices were not in accordance with the Schedule of Fees and Charges adopted by Council, and some fees included GST when they should be GST free.
 - (ii) There is a lack of segregation between the invoice raiser and the invoice approver.
- (g) 31-250.1.1 - All purchases/expenses and related liabilities are supported by evidence of relevant goods or services being received
- (i) Delegations and Policies require updating.
Delegation 4.2 records the incorrect tender threshold of \$150,000 – this should be \$250,000 as per Regulation 11A of the *Local Government (Functions and General) Regulations 1996*.
Policy 3.9 – Petty Cash and Floats currently includes a \$300 float for Dowerin Home Care, which is no longer in existence. It is also noted that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in Policy 3.9 or recorded in the Shire's financial records.
 - (ii) Potential late lodgement of Business Activity Statements.
July 2022 to September 2022 Business Activity Statements were not available for inspection and may not have met the lodgement requirements set by the ATO.
 - (iii) Incorrect calculation of GST on supplier invoices
An inspection of supplier invoices and payments revealed two minor errors in relation to GST.
- (h) 33-250.1.1 - Stocks and work-in-progress are adequately safeguarded
- (i) Fuel allocations not processed in general ledger regularly.
It was noted on initial inspection fuel allocations had not been processed for the months of July 2022 to October 2022. The lack of an up-to-date stock system can have an impact on the Net Current Asset Position of the Shire as reported at month end and an understatement of expenditure.
 - (ii) Policy 4.1 – Fuel Stock Policy
This policy needs to be reviewed and updated to reflect current procedures, use of electronic fuel system, and current position titles
 - (iii) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.

There was no evidence sighted that fuel issue transactions were reviewed and certified by a supervisor.

(iv) Discrepancy in value of Fuel on Hand

A review of records showed that a diesel fuel stock adjustment at 30 June 2022 was made to the value of \$24,530.23 due to an incorrect unit price being used to calculate fuel issues.

(i) 33-270 All transactions are accurately recorded in the stock records and posted to the correct accounts

- (i) Fuel allocations not processed in general ledger regularly.
- (ii) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.

(j) 34-250.1.1 – Recorded cash funds exist

(i) Cash Floats held not reflected in financial records.

An inspection of the trial balance revealed that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in the Shire's financial records.

(ii) Financial Policies require updating

Policy 3.9 – Petty Cash and Floats currently includes a \$300 float for Dowerin Home Care, which is no longer in existence. It is also noted that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in Policy 3.9.

(k) 34-250.1.2 – Recorded Bank accounts exist.

(i) Outstanding bank transactions not recorded in general ledger.

An examination of the Municipal bank reconciliation at 30 June 2022 revealed that \$296,348.51 worth of transactions were not recorded resulting in the cash at bank being understated in the annual financial report.

(l) 36-270 Recorded payroll transactions are correctly summarised and posted.

(i) Single Touch Payroll (STP) report not reconciled to Gross Salaries & Wages general ledger account.

An inspection of the STP report showed that deductions for housing bonds and child support payments had been set up as pre-tax deductions from employee pays when the system conversion to ALTUS payroll was undertaken. The set-up of the deductions as pre-tax has resulted in the Shire potentially understating the taxable income of the employees affected or may have Fringe Benefits Tax implications for the Shire.

The pre-tax deductions afforded may be deemed to be fringe benefits under the *Fringe Benefits Tax Act 1986* and no exemption provisions exist under the legislation to reduce the FBT liability associated with providing the fringe benefit and reduction of pay as you go withhold tax (PAYGW).

Recommendations

As a result of the findings, the following improvement recommendations are made:

FINANCIAL MANAGEMENT REVIEW

- (1) That the CEO implement new internal control procedures for the reviewing of rate exempt properties, including the establishment of a rate exemption register, to strengthen internal controls.
- (2) That the CEO review Council Policy 3.9 to incorporate the floats for the swimming pool and Dowerin Home Care.
- (3) That the CEO implement new internal control procedures for Commonwealth Home Support Package (CHSP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.
- (4) That the CEO review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.
- (5) That the CEO implement new internal control procedures for Home Care Package (HCP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.
- (6) That the CEO review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.
- (7) That the CEO lodge a Business Activity Statement amendment for August 2021 to claim the GST overpayment related to the GST deducted from the HCP subsidy received on 17 August 2021.
- (8) That the CEO implement new internal control procedures for Accounts Receivable, where the Deputy CEO reviews each debtor invoice batch report and certifies the report as being checked to strengthen internal controls.
- (9) That the CEO implement new internal control procedures for Mail/Cashiering, where the officer opening the mail records cheque and money order payments in the Excel Inwards Mail Register.
- (10) That the CEO authorise the posting of a general journal entry to record the cash floats for the swimming pool of \$200 and Dowerin Home Care of \$50 in the balance sheet.
- (11) That the CEO implement new internal control procedures for Gentle Gym, where the cash taken at gentle gym classes is receipted on the day it is received at the office.
- (12) That the CEO implement an updated Investment Register that complies with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* requirements.

- (13) That the CEO obtain regular reports from the external IT provider that data backups have been validated and ensure an annual test of a full system restore is performed.
- (14) That the CEO implement an IT Disaster Recovery Plan/Strategy and an ICT Data backup and Recovery Guideline.
- (15) That the CEO implement formalised procedures for key financial tasks that will allow any employee to temporarily fill a position in an emergency.
- (16) That the CEO arrange for the outstanding unrecorded transactions totalling \$296,348.51 listed on the Municipal Fund bank reconciliation be processed into the general ledger as a matter of urgency.
- (17) That the CEO consider developing a policy on employee training and professional development.
- (18) That the CEO implement new internal control procedures for Accounts Payable where the Deputy CEO reviews and certifies the supplier invoice batch listing to supplier invoices prior to batch update by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.
- (19) That the CEO implement new internal control procedures for Petty Cash where:
 - (a) A petty cash recoup form is implemented to summarise petty cash receipts, code each expense transaction and provide a total for the amount of the recoup; and
 - (b) the Deputy CEO reviews and certifies the amount of the reimbursement and recoup before it is performed; and
 - (c) the Deputy CEO reviews and certifies the recoup reimbursement prior to entry into SynergySoft.
- (20) That the CEO undertake a review of the Delegations Register and Policy Manual to ensure position titles reflect those of the recent organisational restructure.
- (21) That the CEO implement new internal control procedures for diesel fuel stock where the Deputy CEO reviews and certifies a monthly stock valuation report to verify opening balances plus stock movements equals fuel closing balance.
- (22) That the CEO implement new internal control procedures for payroll to ensure the STP data file matches SynergySoft gross salaries and wages data.
- (23) That the CEO place a priority on the review of the Workforce Plan.
- (24) That the CEO prepare a report for Council to consider what action, if any, needs to be taken to address the findings and weaknesses identified in relation to the Internal Control Evaluation.

Opinion

Financial Management Review

The review of the Financial Management Systems and Procedures developed by the Shire of Dowerin indicates that, except for those matters identified in the findings and recommendations section of this report, they are appropriate and effective for the particular operations and size of the Shire. In addition, the review has concluded that, except where indicated in this report, the Shire has observed the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

DRAFT

1.0 INTRODUCTION

1.1 BACKGROUND

1.1.1 FINANCIAL MANAGEMENT REVIEW

Pursuant to Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*, the Chief Executive Officer of a local government is to establish efficient systems and procedures for:

- (a) The proper collection of all money owing to the local government;
- (b) The safe custody and security of all money collected or held by the local government;
- (c) The proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
- (d) Ensuring the proper accounting for municipal or trust-
 - (i.) Revenue received or receivable;
 - (ii.) Expenses paid or payable; and
 - (iii.) Assets and liabilities;
- (e) Ensuring the proper authorisation for the incurring of liabilities and the making of payments;
- (f) The maintenance of payroll, stock control and costing records; and
- (g) Assisting in the preparation of budgets, budget reviews, accounts and reports required by the Act or regulations.

In addition, Regulation 5(2) requires the Chief Executive Officer of a local government to-

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

1.2 PURPOSE OF REPORT

The Shire of Dowerin appointed Darren Long Consulting and Dominic Carbone & Associates to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government (not less than once in every 3 financial years) and report to the local government the results of those reviews.

1.3 METHODOLOGY

The methodology adopted to undertake the Reviews and prepare this report included:

- (1) Introduction
- (2) Proper Collection of all Money Owing to the Shire
- (3) Safe Custody and Security of all Money Collected and Held by the Shire
- (4) Proper Maintenance and Security of the Shire's Financial Records
- (5) Ensure Proper Accounting for All Income, Expenditure, Assets and Liabilities of the Municipal and Trust Funds
- (6) Proper Authorisation for the Incurring of Liabilities and Making of Payments
- (7) Maintenance of Payroll, Stock Control and Costing Records
- (8) Preparation of Budget Accounts and Reports Required by the Local Government Act 1995 and Local Government Financial Management) Regulations 1996
- (9) Internal Control Evaluation
- (10) Registers
- (11) Other Matters
- (12) Findings
- (13) Recommendations
- (14) Opinion

2.0 PROPER COLLECTION OF ALL MONEY OWING TO THE SHIRE

2.1 LATE PAYMENT INTEREST CHARGE FOR RATES

The Shire, as part of its 2022/23 budget adoption process, imposed a late payment penalty interest charge of 5% on all unpaid rates and service charges, pursuant to Section 6.51 of the Local Government Act 1995 and Financial Management Regulation 71.

2.2 INSTALMENT INTEREST CHARGE

The Shire, as part of its 2022/23 budget adoption process, imposed a rates and service instalment interest charge of 5.0%, pursuant to Section 6.45(4)(e) of the Local Government Act 1995, and Financial Management Regulation 68.

2.3 ADMINISTRATION FEE FOR RATES INSTALMENT PAYMENTS

The Shire, as part of its 2022/23 budget adoption process, did not impose an administration fee per instalment notice, pursuant to Section 6.45(4)(e) of the Local Government Act 1995, and Financial Management Regulation 67.

2.4 ALTERNATIVE RATES PAYMENT OPTION ADMINISTRATION FEE

The Shire has delegated authority to the Chief Executive Officer to determine applications for alternative rate payment options, where the payment options differ from those adopted as part of the Annual Budget. An administration fee of \$20.00 is imposed for approved alternative payment options.

The CEO has sub-delegated to the Manager Corporate & Community Services the authority to determine applications for alternative payment options for rates.

2.5 DISCOUNTS OFFERED ON CURRENT RATES

The Shire does not offer a discount on rates.

2.6 LATE PAYMENT INTEREST CHARGE ON MONEY OWED TO THE SHIRE

The Shire has not imposed a late payment penalty interest charge on other money owed to the Shire, other than rates.

2.7 OUTSTANDING RATES RATIO

The outstanding rates ratio for the 2021/22 financial year was 7.7%. The benchmark for this ratio is less than 5%.

2.8 RATING FUNCTION AND RATES PAYMENTS

The Shire undertakes the rating function, including the billing process, interim rating, valuation updates and instalment reminders.

Annual Revaluation of properties

The Shire is required to implement land valuations for rateable properties when updated valuation schedules are provided by the administering government agencies. Properties on different valuation methodologies are subject to different valuation cycles.

Unimproved valuation properties, consisting of rural land and mining tenements are valued each year. The valuations are provided by:

- (a) Landgate for all rural properties, generally in April/May of the preceding year, with the new valuations coming into force as of 1 July; and
- (b) Department of Mines, Industry Regulation and Safety for all mining, exploration and prospecting tenements, generally in April/May of the preceding year, with the new valuations coming into force as of 1 July.

Gross rental value properties for country local governments are generally on a 5-year valuation cycle, although this can be extended out to 7 years. Valuations are provided by Landgate.

The most recent valuation roll for rural properties was prepared by Landgate on 26 April 2022, with an effective date of 1 July 2022, with a value total of \$174,058,200.

The most recent valuation roll for mining/exploration tenements was prepared by Department of Mines, Industry Regulation and Safety on 26 April 2022, with an effective date of 1 July 2022, with a value total of \$99,452.

A test check of the valuations loaded into the Synergy system to the valuation rolls supplied verified the balances were correct.

Monthly Reconciliation of Rates

The rates subsidiary ledger is reconciled to the general ledger on a monthly basis.

Test checks of the reconciliation were performed for the months of November 2021, February 2022 and June 2022 and all reconciliations balanced and were signed by the rates officer and certified by the Deputy CEO, or by the CEO.

Non-Rateable Properties

A list of non-rateable properties is held within the Synergy rating system. These were reviewed for rate exemption status under section 6.26 of the *Local Government Act 1995*. File notes on the Synergy rating system indicated that the last update/review was completed circa 2018.

Observation

One property for the Dowerin Masonic Lodge was granted rate exemption status in 2018. There was no evidence on file whether the rate exemption status had been reviewed since being granted. Periodic reviews of non-rateable properties should be conducted to ascertain if rate exempt status is maintained under the provisions of section 6.26 of the Act.

It is suggested that as a minimum non-rateable properties should be reviewed at least once every 2-3 years.

It is suggested that a Rate Exemption Register be implemented detailing the following information:

- (a) Assessment number
- (b) Property address
- (c) Suburb/Town
- (d) Ratepayer
- (e) Use of property
- (f) Exemption Reason
- (g) Exemption description
- (h) Review date
- (i) Land use

Rate Payments Methods

Rates payments are received via four methods:

- (a) over the counter at the administration centre;
- (b) making a direct deposit to the Shire's bank account quoting the ratepayers assessment number as the reference;
- (c) Using BPAY, a secure payment collection portal with the customer entering their invoice details and payment amount; or
- (d) by credit card payment over the telephone.

Direct deposit of funds are verified to the bank statement and cross-referenced to the assessment number quoted. Once receipt of funds is verified, the transaction is receipted into the Synergy Cash Receipting System and posted to the Rates Subsidiary Ledger and General Ledger.

Credit card payments are taken over the telephone, with the ratepayer's details entered directly into the Synergy receipting system to verify amount due, with the ratepayer's card details directly entered into the EFTPOS terminal at the front counter. Once payment is verified the transaction is receipted into the Cash Receipting System and posted to the Rates Subsidiary Ledger and General Ledger.

2.9 SUNDRY DEBTORS

Sundry debtor invoices were test check for accuracy and compliance with the Schedule of Fees and Charges. 533 invoices were reviewed from November 2021 to 31 October 2022, with a sample of 49 trade debtors and 10 CHSP debtors test checked, representing a sample of 11%.

These sample invoices were checked for:

- (a) Compliance with the fee in the Schedule of Fees & Charges;
- (b) Supporting documentation was provided to verify the raising of the debtor invoice;
- (c) GST was charged in accordance with the GST Act, where applicable.

Of the 59 invoices sampled, 10 invoices were found not to be in accordance with the Schedule of Fees and Charges.

Observation

There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report.

2.10 SHORT STAY ACCOMMODATION

The Shire receives payments from patrons utilising the facilities at the Dowerin Short Stay Accommodation. Bookings can be made online, over the phone or in person. The Customer Service Officer records all over the phone and in person bookings into the short stay online booking system. Bookings are colour coded in the system to record status:

Blue	booking only
Red	booking paid and confirmed
Orange	Council internal booking
Purple	booking invoiced directly to business for payment

Payment is taken either at time of booking or when patron arrives to pick up key code for access to facilities. EFTPOS payments are processed via the online booking gateway payment service and receipted into Synergy at the end of the month when payment for bookings is deposited into the Shire's account. Cash and cheque payments are processed into Synergysoft at time of receipt. Reports are obtained from the online booking system monthly for reporting. Washing machine and dryer fees are made by contactless payment.

Short stay fees are set as follows:

<u>Sites per night</u>	
Caravan/camper site with hardstand – fully serviced	\$ 30.00
Caravan/camper site on gravel – self contained	\$ 15.00
Caravan/camp site on gravel – power, no water	\$ 25.00
Powered tent site	\$ 20.00
Extra person (caravan, camper, tent)	\$ 5.00
One bedroom unit	\$155.00
Studio room	\$135.00
Extra adult (unit only)	\$ 25.00
Extra child 2 yrs old+ (unit only)	\$ 15.00
Use of washing machine	\$ 5.00
Use of dryer	\$ 5.00

2.10 PETTY CASH

Total cash floats held in the Shire of Dowerin balance sheet is \$400.00.

Physical cash floats on hand are as follows:

Administration Cash Register Float	\$200.00
Administration Petty Cash Float	\$200.00
Swimming Pool Float	\$200.00
Home Care Gentle Gym Float	<u>\$ 50.00</u>
	<u>\$650.00</u>

Observations

Council Policy “3.9 – Petty Cash” records that the Shire has two petty cash floats:

1. Administration petty cash \$200.00
2. Dowerin Home Care petty cash \$300.00

There is no record in the balance sheet of the petty cash float of \$300.00 for Dowerin Home Care and according to discussions with Shire staff, the Home Care float has not been in existence for some years.

The petty cash policy should be updated to reflect the cash floats held, and the cash advances should be reflected in the financial accounts.

2.11 MONEY COLLECTED FROM OUTSTATIONS

The Shire receives money collected from two outstations.

(1) Swimming Pool

Payments for all season and monthly passes for entry to the swimming pool are processed at the Administration Centre, where a receipt and a valid season or monthly pass is issued to the customer.

The pool contractor processes all daily takings for daily admittances on a weekly swimming pool attendance sheet, which records the type of patron using the pool. The weekly sheet breaks down the takings by cash denomination, by type, with a summary completed at the bottom of the sheet detailing the total cash and cheques received. The weekly swimming pool attendance sheet and the cash is delivered to the Shire's administration centre, where cash and cheques are verified to the summary on the weekly sheet by the CSO, who signs, dates, and records the receipt number on the sheet.

(2) Gentle Gym

Gentle gym sessions are held at the town hall on Mondays and Thursdays each week. Session fees are collected from participants by Dowerin Home Care Support Officer (DHCSO). Home care clients are charged a fee of \$5 per session (GST Inclusive), with non-clients paying a fee of \$7 per session (GST Inclusive).

The DHCSO records the name of each client on attendance sheet along with the fee paid. The cash is held in a zip-lock bag. The session sheets and cash is hand delivered to the Home Care Administration Support Officer who holds the cash until the end of the month. The cash is then handed to the CSO, who verifies the amount and processes a receipt into Synergy.

2.12 HOME CARE SERVICE

The Shire of Dowerin is a registered provider of Home and Community Care (HACC) services, Commonwealth Home Support Package (CHSP) services, and Home Care Package (HCP) services.

CHSP Services

Under this program, the Shire provides a range of services including transport, community nursing, day care, domestic assistance, home support or gardening, meals on wheels, personal care, respite care and social support. The Shire receives funding to deliver the CHSP services and clients are assessed on the level of contribution they make for the services they receive.

The Shire receives grant funding from the Commonwealth Department of Health and Aged Care, and contributions from clients to fund the services provided. Grant funding is made in quarterly instalments into the Shire's bank account.

Client contributions are required based on individual affordability and determined in accordance with the CHSP framework. The Shire has set client contribution fees at \$15.00 per service (GST Inclusive) for pensioners and \$20 per service (GST Inclusive) for self-funded retirees for the 2022-2023 financial year. The fee was \$12.00 per service (GST Inclusive) for pensioners and \$15.00 per service (GST Inclusive) for self-funded retirees for 2021-2022.

Task sheets are completed by CHSP workers for each type of service provided to a client. The task sheets are signed by the worker and the client at the conclusion of the provision of the service. The task sheet is handed to the Dowerin Home Care (DHC) Coordinator or DHC Administration Support Officer (DHCASO). The DHCASO enters the task sheet data into SMS software system. At the end of the month the ASO prints out two reports:

1. Client receiving any service report; and
2. Individual client services report.

DHCASO creates invoices in Synergy using the individual client services report and raises an invoice for each client based on the number of services provided (chargeable services are indicated with either an * or \$); with each individual service recorded on a separate line on the invoice and applied with a separate charge code. A monthly batch report of invoices is produced and updated to the general ledger. Invoices are mailed out to clients.

Observations

There is no evidence to support a check is performed by a supervisor of the CHSP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several CHSP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.

It is suggested that the Home Care Coordinator review and sign each CHSP debtor invoice batch report to certify the report as being checked to the SMS reports, to strengthen internal controls.

The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care services provided under a CHSP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to CHSP clients for their contribution to the CHSP services, when in actual fact it should be GST-free.

It is suggested the Shire review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$15 to \$14).

It is suggested the Shire, as a matter of urgency, review its Schedule of Fees and Charges for CHSP services, along with its Chart of Account structure and debtor charge code structure, to ensure that CHSP client fees are GST-free and future debtor invoices show GST-free amounts.

It is suggested the Shire evaluate whether it is worthwhile to go back and amend its Business Activity Statements to reflect the CHSP client fees being GST-free, or just start afresh for 2022-2023. Based on monthly invoice totals, the overpayment of GST could amount to \$60 - \$70 per month.

HCP Services

Under this program, the Shire provides similar services as the CHSP, but the services are designed to assist clients with more complex care needs that go beyond what the CHSP can provide.

Grant funding was initially made in quarterly instalments, and then changed to monthly instalments, during the 2021-2022 financial year.

Task sheets are completed by HCP workers for each type of service provided to a client. The task sheets are signed by the worker and the client at the conclusion of the provision of the service. The task sheet is handed to the Dowerin Home Care (DHC) Coordinator or DHC Administration Support Officer (DHCASO). The DHCASO enters the task sheet data into SMS software system.

The fee charged for HCP services is recorded in SMS and a HCP Claim Summary report is produced. The data from this report is uploaded into the Commonwealth online system, Provider Digital (PRODA). The Commonwealth Department of Health and Aged Care assesses the Councils subsidy claim for the month, and if approved, transfers the subsidy claim amount into the Shire's bank account. The subsidy is a GST-free supply under the GST Act.

Occasionally HCP clients require services above the level provided under the funding agreement and are required to make a client contribution. Client contributions are required based on individual affordability and determined in accordance with the HCP framework. The set client contribution fees are as detailed in the Schedule of Fees and Charges and are inclusive of GST. The most common fee charged for 2021-2022 was \$60 (GST Inclusive).

Observations

There is evidence to support a check is performed by a supervisor of the HCP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several HCP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.

It is suggested that the Home Care Coordinator review and sign each HCP debtor invoice batch report to certify the report as being checked to the SMS reports, to strengthen internal controls.

The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care package services provided under a HCP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to HCP clients for their contribution to the HCP services, when in actual fact it should be GST-free.

The July 2021 HCP subsidy of \$31,679.52 received on 17 August 2021 was receipted with GST of \$2,879.96 deducted from the amount, resulting in the Shire overpaying its GST liability.

It is suggested the Shire lodge a BAS amendment for August 2021 to claim back the GST overpayment.

It is suggested the Shire review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$60 to \$55).

It is suggested the Shire, as a matter of urgency, review its Schedule of Fees and Charges for HCP services, along with its Chart of Account structure and debtor charge code structure, to ensure that CHSP client fees are GST-free and future debtor invoices show GST-free amounts.

2.13 POLICIES RELATING TO DEBT COLLECTION

The Shire does not have a Policy for the collection of outstanding debts.

2.14 MAPPED PROCESSES

Mapped processes for mail/cashiering and accounts receivable were prepared as part of the review process. These have been tested for internal control measures.

Observations

Analysis of the mapped processes indicates there are weaknesses present:

Accounts Receivable mapped process weaknesses

There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.

It is suggested that the Deputy CEO review each debtor invoice batch report and certify the report as being checked to strengthen internal controls.

Mail/Cashiering mapped process weakness

Cheques or money orders received via the mail are not recorded in the Excel Inwards Mail Register. It is an important internal control function to keep a record of all cheque payments received via the mail. It was noted that the number of cheques received via the mail is very minimal.

It is suggested that staff be required to record any cheque payments received via the mail into the Excel Inwards Mail Register.

3.0 SAFE CUSTODY AND SECURITY OF ALL MONEY COLLECTED AND HELD BY THE SHIRE

3.1 MONEY COLLECTED FROM OUTSTATIONS

No outstation takings are held overnight at the administration centre strong room.

Swimming pool fees are collected by the pool contractor on behalf of the Shire, with the cash delivered to the Administration Office weekly.

Gentle gym fees are collected by the HCSO at the beginning of each gym session. The cash is delivered to the Administration Office immediately after the session and held by the Home Care Admin Support Officer (HCASO) until the end of the month. At the end of the month HCASO compiles gentle gym takings for the month, reconciles to attendance register and statistics and gives to Customer Service Officer (CSO) for receipting.

Observations

It was noted that the swimming pool contractor is issued with a \$200 float from the strong room at the beginning of each pool season. There is no record of this float in the balance sheet.

It was noted the Home Care Gentle Gym has a cash float of \$50. There is no record of this float in the balance sheet.

Cash takings for gentle gym fees should be receipted on the day received by HCASO.

3.2 BANKING OF MONEY COLLECTED

Money collected at the Shire's administration centre is banked at least weekly, at the local branch.

3.3 DIRECT DEPOSIT TRANSFERS FOR PAYMENTS

The Shire receives money via direct deposits from customers.

The operation of direct deposits involves the use of a unique code entered by the Payee that appears on the Shire's bank statement, allowing for identification of the payers' details for receipting purposes.

3.4 INVESTMENT OF SURPLUS FUNDS

Surplus funds are invested in accordance with section 6.14 of the Local Government Act 1995 and Regulation 19 of the Local Government (Financial Management) Regulations 1996.

Regulation 19 requires the Shire to establish a policy and internal control procedures for employees to follow, including an investment register, to ensure control over investments.

Council has adopted an Investment Policy "3.2- Investment Policy", to ensure control over investments.

The Council has granted delegated authority to the Chief Executive Officer under Delegation 5.3 to transfer surplus funds, not required by the Shire for immediate use, to an appropriate secured investment account/term deposit.

Observations

The Shire has an Investment Register, but it does not meet the requirements of the regulations. Transactions relating to the investment are not recorded in the current register.

3.5 CYBER AND CRIME INSURANCE COVER

The Shire does have insurance cover for commercial crime and cyber liability, which includes protection for fraud, theft, forgery and third-party computer crime with limit for any one occurrence of \$100,000.

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4.0 PROPER MAINTENANCE AND SECURITY OF THE SHIRE'S FINANCIAL RECORDS

The Chief Executive Officer, pursuant to section 6.5 of the Local Government Act 1995, is to ensure that, accounts and records are kept in accordance with regulations, proper accounts and records of the transactions and affairs of the local government are kept, and to keep them up to date. Further, Regulation of the Local Government (Financial Management) Regulations 1996 requires that:

- 'No separate ward accounts are to be kept'.

4.1 FINANCIAL AND ACCOUNTING RESPONSIBILITY

The Deputy Chief Executive Officer is responsible for the financial and accounting function of the Shire. Procedures have been implemented for the maintenance and security of financial records of the Council. Those procedures, the current internal controls, and the engagement of Wallis Computer Solutions to assist with information technology support services, provides a sound foundation for the financial records to be maintained.

4.2 CORPORATE INFORMATION TECHNOLOGY NETWORK

The Shire's corporate network comprises the following:

- Hardware:
- 1 physical server with five virtual servers for virtual hosting, domain control, remote desktop, applications, and mail.
 - Administration – 14 desktop/laptop computers and associated peripherals;
 - Police Licensing – 1 stand-alone desktop computer;
- Software:
- SynergySoft/Altus software, the Shire's financial accounting software comprising of the following modules - rates, payroll, general ledger, works/job costing, plant costing, accounts receivable, accounts payable, purchase orders, receipting, reserves, assets, bank reconciliations, dogs, property, customer services, and trust.
 - Microsoft Office for word processing and spreadsheets.
 - Trelis – Department of Transport licensing software.
 - RAMM – an internet-based asset inventory and management system for roads.
 - Metrocount – Traffic counting software.
- Security:
- Staff are issued with an individual login and unique password to access the Shires corporate network. Individual login passwords utilised by staff accessing the financial system; passwords are not currently force changed every month but this is under consideration. The periodic force changing of user login passwords is considered an appropriate security practice.

The servers are the key storage medium for financial records and all the accounting and financial data is maintained on the above-mentioned systems.

4.3 DATA BACKUP

The Shire utilises the services of Wallis Computer Solutions, an Information and Communications Technology company located in Dalwallinu.

The back-up system implemented is a DATTO solution with automated, verified backups stored locally and in the cloud.

The Shire does not receive regular notifications advising that the back-up has been successfully performed.

No test restore of data has been performed to ensure back-up is working.

The Shire does not have an ICT Disaster Recovery Strategy, or an ICT Data Backup and Recovery guideline.

Observations

- (a) The local government does not test and validate data backups regularly.
- (b) The local government does not have an IT Disaster Recovery Plan/Strategy or ICT Data backup and Recovery Guideline.

4.4 ELECTRONIC BREAKDOWN INSURANCE

The Shire's membership of the Municipal Property Scheme provides, under section 1, electronic break down insurance cover, to a maximum of \$200,000 for any one event. Insurance cover of \$200,000, under section 2, for any one event is provided for electronic data restoration (loss of information); and cover is in place for any one event relating to increased costs of working (avoiding or diminishing interruption to the business). This provides a level of protection for the Shire should there be an instance where electronic data is lost, and significant resources need to be engaged to recover or re-enter the lost data.

4.5 ADMINISTRATION CENTRE SECURITY

Council has installed a security key-pad for entry into the Administration Centre. A unique pin code is entered to access the administration centre.

4.6 STORAGE OF FINANCIAL REPORTS

Hard copies of relevant reports produced by the SynergySoft system, annual budgets, annual financial statements and the plan for the future are retained and stored in the records room.

5.0 ENSURE PROPER ACCOUNTING FOR ALL INCOME, EXPENDITURE, ASSETS, LIABILITIES OF THE MUNICIPAL AND TRUST FUNDS

5.1 ACCOUNTING POSITIONS AND PROCEDURES

The current accounting positions and procedures have been structured to ensure the Shire currently complies with the requirements of the Local Government Act 1995 and its Regulations, and the Australian Accounting Standards.

Observations

Each position has informal documented procedures for tasks performed.

It is suggested that these informal procedures be compiled into detailed formalised procedures, with screenshots at critical stages of the process. This will allow any employee to temporarily fill a position in an emergency and follow the procedure document.

5.2 MUNICIPAL FUND BANK ACCOUNT

The Municipal Fund bank account has been established to ensure the Shire complies with Sections 6.6, 6.7 and 6.10 of the Local Government Act 1995 and Regulations 8 and 10 of the Local Government (Financial Management) Regulations 1996.

The Shire conducts a bank reconciliation process at the end of the month utilising a manual reconciliation system, and verifies all transactions detailed on the bank statement match to those recorded in the general ledger in the SynergySoft financial system.

Observations

Sample testing was conducted of the Municipal Fund bank reconciliation for 30 November 2021, 31 December 2021, 30 April 2022, and 30 June 2022. The bank reconciliation balances were compared to the Monthly Financial Report.

The amounts appearing on the bank statement were verified in the respective bank accounts on the SynergySoft system, with the exception of the list of transactions yet to be recognised in the general ledger listed in the reconciliation itself. The bank reconciliation balance was reported correctly in the Monthly Statement of Financial Activity, however the figures in note 2 show the bank balance and not the general ledger balance.

The bank reconciliation for 30 June 2022 was not finalised at time of review.

It is suggested the outstanding unrecorded transactions totalling \$296,348.51 listed on the bank reconciliation be processed into the general ledger as a matter of urgency. This will ensure the trial balance of the Shire will reflect the reporting in the Annual Financial Report submitted to the auditors and reduce the potential for errors and imbalances moving forward.

5.3 TRUST FUND

The Shire has no monies held in the Trust Fund.

5.3 FINANCIAL SOFTWARE SYSTEM

The Deputy CEO monitors the operations of the Financial Software System on an ongoing basis along with IT consultants Wallis Computer Solutions. Wallis Computer Solutions are contracted to provide information technology support services to the Shire. This ensures secure data protection and the Shire's financial management functions are being appropriately carried out.

5.4 POSITION DESCRIPTIONS AND KEY DUTIES AND RESPONSIBILITIES

The Position Descriptions define the objectives, key duties and responsibilities for each of the accounting positions.

Observations

The Position Descriptions provide for adequate segregation of financial management duties.

5.5 PROFESSIONAL DEVELOPMENT FOR STAFF

The Shire does not have a policy that addresses staff training and professional development opportunities including attendance at conferences and/or seminars. It does have an 'Education and Assistance Policy' that outlines support for courses of study.

Observations

It is suggested that the Council consider developing a policy on Staff Training and Professional Development, as this is an important avenue for staff to further enhance their skills and knowledge in managing the Shire's financial records.

5.6 MAPPED PROCESSES

Mapped processes for accounts payable, accounts receivable, stock on hand and petty cash were prepared as part of the review process. These have been tested for internal control measures.

Observations

Accounts Payable mapped process weaknesses:

- (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.

Accounts Receivable mapped process weaknesses:

- (a) There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.

Stock on Hand mapped process weaknesses:

- (a) A stock valuation report was not produced to verify opening balances plus stock movements equals fuel closing balance.
- (b) Synergysoft stock valuation report balance at the end of each month is not verified to the B.Smart fuel system balance.

Petty Cash mapped process weaknesses:

- (a) A petty cash recoup form is not utilised to summarise receipts, code each expense transaction and provide a total for the amount of the recoup.
- (b) When the petty cash recoup is undertaken, it is not reviewed and certified by a supervisor prior to reimbursement and recoup being performed.
- (c) A supervising officer does not review the petty cash invoice batch report prior to update by the FAO. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.

Cheque and EFT Payment Observations

1001 payments were reviewed from November 2021 to 31 October 2022; with 31 sample tested and analysed for compliance with the following:

- (a) Purchase order had been raised for purchase and was attached with suppliers' invoice to payment voucher;
- (b) Certification stamp on supplier invoice was signed by ordering or receiving officer that goods had been received in appropriate condition or services had been rendered at appropriate standard;
- (c) Certification stamp on supplier invoice was signed by ordering officer noting that computations of invoice had been checked;
- (d) Authorisation stamp on supplier invoice was signed by ordering officer or Supervisor confirming that the invoice was approved for payment;
- (e) Purchasing policy requirements in relation to quotations or tenders had been met.

The analysis of the 31 payments revealed:

- (a) There were 2 errors in the GST coding of supplier invoices, resulting in the overclaiming of entitled GST credits.

6.0 PROPER AUTHORISATION FOR THE INCURRING OF LIABILITIES AND MAKING OF PAYMENTS

6.1 AUTHORISATION OF PURCHASE ORDERS AND MAKING OF PAYMENTS

Policy “3.11 – Purchasing Policy” details the purchasing thresholds for obtaining quotes and tenders. Policy “3.15 – Regional Price Preference Policy” requires Officers to consider regional businesses in their purchasing decisions and provide up to a 10% price preference to regional suppliers when obtaining quotations.

The Council, through Delegation 5.1, has granted authorisation to the CEO for the making of payments from the Municipal and Trust Funds, and the reporting to Council of such payments.

The Shire uses the Altus Electronic Purchase Order module. The module permits the assigning of business rules to purchasing thresholds and to positions. This ensures each purchase order complies with the purchasing policy value requirements assigned to positions, and the number of quotations required for each value threshold, whether written or verbal. The business rules require each purchase order to be authorised by an approved officer, prior to the purchase order being released for issue to a supplier.

Observations

All purchase orders issued for the sample period between November 2021 to October 2022 had appropriate number of quotations obtained.

Regulations 11 and 12 of the Local Government (Financial Management) Regulations 1996 have been observed in relation to the payment of accounts.

6.2 SIGNING OF CHEQUES AND AUTHORISING ELECTRONIC FUNDS TRANSFERS

The Council, pursuant to Section 5.42 of the Local Government Act 1995 and Delegation 5.1, has delegated the responsibility for the payment of invoices from the Municipal and Trust Funds to the Chief Executive Officer.

In accordance with section 5.44 of the Local Government Act 1995, the CEO has sub-delegated that responsibility to the Manager Corporate & Community Services (MCCS), and Manager Works & Assets.

Observation

A recent restructure of the organisation has occurred, with several positions being renamed. The Delegations Register and Policy Manual still refer to positions that no longer exist.

It is suggested that the Delegations Register and Policy Manual be reviewed in detail, specifically those relating to finance, to ensure the positions and the powers delegated reflect the current organisational structure.

6.3 CORPORATE CREDIT CARDS AND FUEL CARDS

Regulation 11 of the Local Government (Financial Management) Regulations 1996 requires a local government to:

“develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of —

cheques, credit cards...”

The Shire of Dowerin has adopted Policy “3.10 Corporate Credit Card” relating to the use of credit cards.

Two corporate credit cards have been issued, one to the CEO and one to the Deputy CEO.

The Shire has implemented a monthly credit card reconciliation worksheet for the responsible officers to complete that lists the date of the expense incurred, then general ledger the expense is recorded to, particulars of each transaction and its purpose, the total value of the transaction and any GST incurred.

This reconciliation is counter-signed by the Shire President and included as part of the monthly financial reports presented to Council in the Agenda.

6.4 TENDERS REGISTER

Regulation 17 of the Local Government (Functions and General) Regulations 1996 requires local government to:

“...keep a ‘Tenders Register’ which is to include:

- (i) a brief description of the goods or services required;*
- (ii) particulars of the making of the decision to invite tenders;*
- (iii) particulars of -*
 - (A) any notice by which expressions of interest from prospective tenderers was sought;*
 - (B) any list of acceptable tenderers that was prepared under regulation 23(4);*
- (iv) a copy of the notice of the invitation to tender;*
- (v) the name of each tenderer whose tender has been opened; and*
- (vi) the name of any successful tenderer.”*
- (vii) the amount of consideration sought in the tender accepted.*

Observations

At the time of inspection of the Tender Register, it was noted that the Register did not contain any particulars of the making of the decision to invite tenders. The Register was updated at the time of review to include the necessary information, so no further action is required.

6.5 CERTIFICATION OF INVOICES FOR PAYMENT

The certification of invoices for payment on receipt of goods and services is the responsibility of the officer initiating the purchase order.

Observations

The relevant ordering or receiving officer is required to certify supplier invoices for payment prior to their entry into the Creditors system in SynergySoft.

6.6 PURCHASING POLICY

The Council has adopted a purchasing policy that meets the requirements of Functions and General Regulation 11A.

6.7 COMPLIANCE WITH COUNCIL'S PURCHASING POLICY

It is understood that officers initiating the purchase orders and certifying the invoices for payment are fully aware of the requirements of the Shire's adopted purchasing policy, and of the Local Government Act 1995 requirements, concerning the necessity to ensure provision has been made in the Shire's annual budget before expenditure is incurred.

Purchasing thresholds in the Shire of Dowerin Purchasing Policy 3.11 are as follows:

Amount of Purchase	Policy Requirements
Up to \$5,000	Obtain at least one (1) verbal or written quotation from a suitable supplier in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).
\$5,001 to \$20,000	Seek at least three (3) verbal or written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).
\$20,001 - \$50,000	Seek at least three (3) written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1) except if purchasing from a WALGA PSA, CUA or other tender exempt arrangement, where a minimum of one (1) written quotation is to be obtained.
\$50,001 - \$250,000	Seek at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).
Over \$250,000	Tender Exempt arrangements (i.e. WALGA PSA, CUA or other tender exemption under F&G Reg.11(2)) require at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1); or Public Tender undertaken in accordance with the Local Government Act 1995 and relevant Shire Policy and procedures.

Observations

Sample testing of payments and attached supporting documentation from November 2021 to October 2022 revealed there were no instances where there was non-compliance with the Shire's Purchasing Policy. A total of 31 payments were included in the sample testing out of 1001 total payments for the period.

The Shire has a Regional Price Preference Policy and when applied, requires Officers to consider regional businesses in their purchasing decisions and provide up to a 10% price preference to regional suppliers when obtaining quotations.

6.8 AUSTRALIAN TAXATION OFFICE BAS PAYMENTS

The Shire prepares Business Activity Statements (BAS) on a monthly basis and submits them to the Australian Taxation Office via the Business Portal. A review of monthly BAS returns from November 2021 to October 2022 was undertaken.

Observations

The review highlighted that the BAS returns for July, August and September 2022 were lodged after the due date.

6.9 MAPPED PROCESSES

Mapped process for accounts payable has been maintained by the Shire.

Observations

Analysis of the Accounts Payable mapped process indicated there was one weakness present:

- (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.

7.0 MAINTENANCE OF PAYROLL, STOCK CONTROL AND COSTING RECORDS

7.1 PAYROLL SYSTEM

The Shire's payroll system is integrated into the Synergy financial accounting System, with works costing and plant costing completed at timecard entry level. Data is posted directly in batch form, into the Shire's accounting system, updating the cost ledgers, payroll system and general ledger.

7.2 STOCK CONTROL

Diesel fuel is held as Stock on Hand, with a computerised register detailing fuel held as at 30 June 2022.

Fuel stock is controlled via the Synergy Stores module, with issues made based on the average fuel price from fuel purchases made.

Fuel issues from Dowerin depot is recorded via the B.Smart mobile phone app. Each plant item is linked to the vehicle registration identification. The employee filling the plant uses the mobile phone app, selects the plant registration number, then selects the bowser to initiate the flow of fuel. The app records the amount of fuel issued to the cloud database against the plant id. The app also shows the fuel held in litres at the end of the month.

The Deputy CEO downloads the fuel issues data at the end of the month and prepares a fuel issues worksheet by plant id. This data is then entered via the Stores issues module to allocate fuel use at the end of the month to each individual plant.

Observations

- (a) It was noted that a stock valuation report was not produced to verify opening balances plus stock movements equals fuel closing balance.
- (b) Synergysoft stock valuation report balance at the end of each month is not verified to the B.Smart fuel system.
- (c) It was noted that the incorrect average price was used for fuel issues during the year, however this was corrected at 30 June 2022 by an adjusting entry.

7.3 COSTING RECORDS

The Shire operates a subsidiary cost ledger within its financial accounting software.

Plant utilisation is recorded on the electronic timecards recorded by staff and certified by the Works Coordinator. The data recorded is posted directly to the Shires works costing and plant costing ledgers via payroll, and then updated to the general ledger.

7.4 MAPPED PROCESSES

Mapped processes for accounts payable, accounts receivable, stock on hand and petty cash were prepared as part of the review process. These have been tested for internal control measures.

Observations

Stock on Hand mapped process weaknesses:

- (a) A stock valuation report was not produced to verify opening balances plus stock movements equals fuel closing balance.

- (b) Synergysoft stock valuation report balance at the end of each month is not verified to the B.Smart fuel system balance.

Payroll mapped process weakness:

- (a) Analysis of the Payroll mapped process indicated there was no weaknesses present in the fortnightly payroll process.

It was identified that there was a weakness in the review and certification process at year end when balancing the Single Touch Payroll (STP) data to the Shire's payroll information system.

Our review highlighted that the STP file data was not correctly reconciled to the Altus payroll information and the Synergysoft Gross Salaries and Wages data. Further investigation identified a number of deductions were being deducted before tax, which potentially understated the taxable income of the employees affected or may have Fringe Benefits Tax implications for the Shire.

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8.0 PREPARATION OF BUDGET ACCOUNTS AND REPORTS REQUIRED BY THE LOCAL GOVERNMENT ACT AND THE FINANCIAL MANAGEMENT REGULATIONS

8.1 PREPARATION OF ANNUAL BUDGET AND ANNUAL FINANCIAL REPORT

The Shire prepares its annual budgets and annual financial statements; and has complied with the requirements of the *Local Government Act 1995* and its associated regulations.

8.2 PLAN FOR THE FUTURE

The Shire has developed a Plan for the Future, including a Strategic Community Plan (2021-2031) and a Corporate Business Plan (2021-2024).

The Shire has a range of informing strategies including Long Term Financial Plan (last adopted in 2022), Asset Management Plan (adopted in July 2022).

The Shire is currently reviewing its Workforce Plan.

8.3 FEES AND CHARGES

Systems and procedures have been established for reviews of fees and charges to be undertaken at least once in each financial year. This review is carried out during the annual budget preparation process and the basis of determining fees and charges takes into account the specific requirements of section 6.16 to 6.19 of the *Local Government Act 1995*.

Observations

The 2022/23 Schedule of Fees and Charges was adopted by the Council at its meeting on 21 June 2022 via Resolution 0607.

It was noted that the 2022-2023 Schedule of Fees and Charges lists CHSP fees and HCP fees as including GST. The Commonwealth Government *GST-free Supply (Care) Determination 2017* provides for these fees to be GST free, as:

- (a) The Shire receives funding from the Commonwealth in connection with the supply; and
- (b) The supply is made to a targeted person; and
- (c) The supply is a listed service for a targeted person.

8.4 PRESENTATION OF MONTHLY FINANCIAL REPORTS TO COUNCIL

The following reports are presented on a monthly basis to Council for consideration:

- (a) Statement of Financial Activity by Program and by Nature/Type;
- (b) Cash and Financial Assets;
- (c) Receivables;
- (d) Other Current Assets;
- (e) Payables;
- (f) Rate Revenue;
- (g) Disposal of Assets;

- (h) Capital Acquisitions;
- (i) Borrowings;
- (j) Cash Reserves;
- (k) Other Current Liabilities;
- (l) Operating grants and contributions;
- (m) Non-operating grants and contributions;
- (n) Budget amendments;
- (o) Explanation of Material Variances; and
- (p) List of payments detailing invoice payments made and to be endorsed by the Council;

The financial reports presented to Council are in accordance with section 6.4 of the Local Government Act 1995 and Local Government (Financial Management) Regulation 34 and Regulation 12 and 13.

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9.0 INTERNAL CONTROL EVALUATION

Internal control is defined as a process effected by the Council and management designed to provide reasonable assurance regarding the achievement of objectives in the following categories-

- (1) Reliability of financial reporting;
- (2) Compliance with applicable laws; and
- (3) Effectiveness and efficiency of operations.

The internal control systems reviewed in this report are limited to the controls that ensure financial information is accurate and reliable; compliance with laws and regulations is attained; and effective and efficient operations is achieved.

The Internal Control Evaluation Forms attached to this report summarise the control conditions evaluated for the following areas-

- (1) Sales, Debtors and Cash Receipts;
- (2) Purchases, Creditors and Cash Payments;
- (3) Property, Plant and Equipment;
- (4) Inventories and Cost of Sales;
- (5) Cash at Bank; and
- (6) Payroll.

The Evaluation Forms also identify any weaknesses associated with each control objective assessed.

The Shire of Dowerin has enhanced its control environment by setting policies and procedures. The segregation of duties has been examined in detail through the process maps attached to this report; and roles and responsibilities of employees verified to the position descriptions.

The Internal Control Evaluation undertaken included approvals, authorisations, reconciliations, reviews of performance, security of assets, and segregation of duties. A copy of the Internal Control Evaluation is attached at Attachment 2. The Evaluation has identified the following weaknesses for Councils consideration-

- (1) 30-250.1.1 – All sales invoices raised are properly supported/validated with documentation.
 - (a) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.

It is recommended the Deputy CEO undertake the role of reviewing, checking sales invoices raised and to certify debtor invoice batch listings to improve internal controls.

- (b) Sales invoices raised not in accordance with Schedule of Fees & Charges.

9 invoices out of a sample of 49 invoices examined revealed the charges raised were not in accordance with the Schedule of Fees & Charges adopted by Council.

It is recommended the Deputy CEO undertake the role of reviewing, checking sales invoices raised and to certify debtor invoice batch listings to improve internal controls and ensure fees charged are in accordance with the Schedule of Fees and Charges adopted.

- (c) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.

An inspection of the Monthly Reconciliations file revealed that a debtors ledger reconciliation was not performed for the months of July and October 2022.

It is recommended that a reconciliation of the debtor's general ledger control account is done to the debtor's subsidiary ledger at the end of each month, and counter-signed by the Deputy CEO.

- (2) 30-250.1.2 – All sales invoices are bona-fide.

- (a) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.

It is recommended the Deputy CEO undertake the role of reviewing, checking sales invoices raised and to certify debtor invoice batch listings to improve internal controls and ensure all invoices raised are bona-fide.

- (3) 30-270.2.2 – All sales invoices are correctly recorded in the accounts.

- (a) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.

An inspection of the Monthly Reconciliations file revealed that a debtors ledger reconciliation was not performed for the months of July and October 2022.

It is recommended that a reconciliation of the debtor's general ledger control account is done to the debtor's subsidiary ledger at the end of each month, and counter-signed by the Deputy CEO.

- (b) There is a lack of segregation between the invoice raiser and the invoice approver.

It is recommended the Deputy CEO undertake the role of reviewing, checking sales invoices raised and to certify debtor invoice batch listings to improve internal controls and ensure all invoices raised are bona-fide.

- (4) 30-270-2-4 – All cash receipts are deposited.

- (a) Bank reconciliations for the months of July 2022 to October 2022 were not finalised.

It is recommended that bank reconciliations are finalised as any omission of receipts and payments will impact on the accuracy of the monthly financial reporting.

- (5) 30-270.2.5 – All cash sales/miscellaneous receipts are accounted for.

- (a) Investment Register is not maintained for investments.

It is recommended that an investment register be established that meets the requirements of Financial Management Regulation 19(2).

- (b) Report on Investments not prepared in accordance with Policy 3.2.

Policy 3.2 requires a report on investments containing the information in Financial Management Regulation 19(2) be prepared and submitted to Council.

It would appear the monthly financials do not appear to meet the requirements of the Council Policy 3.2.

It is recommended the Deputy CEO prepare a monthly report that meets the requirements of Council Policy 3.2, or Policy 3.2 be reviewed and amended to remove this requirement if considered no longer relevant.

- (6) 30-330.4.1 – Sales invoices are correctly calculated.

- (a) A series of fees and charges levied via sales invoices were not in accordance with the Schedule of Fees and Charges adopted by Council, and some fees included GST when they should be GST free.

It is recommended that all debtor invoices have supporting documentation attached to them to allow the verification of the nature of the services provided and the fee being charged, and to ensure the fee charged is correct.

It is recommended that the CHSP and HCP fees be reviewed for compliance with the GST Act.

It is recommended that the Deputy CEO undertake the role of checking invoices raised and to certify debtor batch listings to improve internal controls.

- (b) There is a lack of segregation between the invoice raiser and the invoice approver.

There was no evidence sighted that debtor invoices were reviewed and certified by a supervisor.

It is recommended the Deputy CEO undertake the role of reviewing, checking sales invoices raised and to certify debtor invoice batch listings to improve internal controls and ensure all invoices raised are bona-fide.

- (7) 31-250.1.1 - All purchases/expenses and related liabilities are supported by evidence of relevant goods or services being received.

- (a) Delegations and Policies require updating.

Delegation 4.2 records the incorrect tender threshold of \$150,000 – this should be \$250,000 as per Regulation 11A of the *Local Government (Functions and General) Regulations 1996*.

Policy 3.9 – Petty Cash and Floats currently includes a \$300 float for Dowerin Home Care, which is no longer in existence. It is also noted that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in Policy 3.9 or recorded in the Shire's financial records.

It is recommended the CEO undertake a comprehensive review of all delegations and policies to ensure they are consistent with legislation and ensure all cash floats are recorded in the Shires financial records.

- (b) Potential late lodgement of Business Activity Statements.

July 2022 to September 2022 Business Activity Statements were not available for inspection and may not have met the lodgement requirements set by the ATO.

It is recommended that the Deputy ensure all BAS lodgements are kept on file as a record of date of lodgement.

- (c) Incorrect calculation of GST on supplier invoices.

An inspection of supplier invoices and payments revealed two minor errors in relation to GST.

It is recommended the Deputy CEO undertake the role of reviewing and checking creditor invoices raised and to certify creditor invoice transaction batch listings to improve internal controls and ensure all payments record the correct GST.

- (8) 33-250.1.1 - Stocks and work-in-progress are adequately safeguarded.

- (a) Fuel allocations not processed in general ledger regularly.

It was noted on initial inspection fuel allocations had not been processed for the months of July 2022 to October 2022. The lack of an up-to-date stock system can have an impact on the Net Current Asset Position of the Shire as reported at month end and an understatement of expenditure.

- (b) Policy 4.1 – Fuel Stock Policy.

It is recommended this policy be reviewed and updated to reflect current procedures, use of electronic fuel system and current position titles.

- (c) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.

There was no evidence sighted that fuel issue transactions were reviewed and certified by a supervisor.

It is recommended the Deputy CEO undertake the role of reviewing and checking fuel issue transactions, and to certify fuel issue transaction batch listings to improve internal controls.

- (d) Discrepancy in value of Fuel on Hand.

A review of records showed that a diesel fuel stock adjustment at 30 June 2022 was made to the value of \$24,530.23 due to an incorrect unit price being used to calculate fuel issues.

It is recommended that fuel issues prices be reviewed regularly to ensure they are reflective of the current average unit cost of diesel purchased.

- (9) 33-270 All transactions are accurately recorded in the stock records and posted to the correct accounts.

- (a) Fuel allocations not processed in general ledger regularly.

It was noted on initial inspection fuel allocations had not been processed for the months of July 2022 to October 2022. The lack of an up-to-date stock system can have an impact on the Net Current Asset Position of the Shire as reported at month end and an understatement of expenditure.

- (b) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.

There was no evidence sighted that fuel issue transactions were reviewed and certified by a supervisor.

It is recommended the Deputy CEO undertake the role of reviewing and checking fuel issue transactions, and to certify fuel issue transaction batch listings to improve internal controls.

(10) 34-250.1.1 – Recorded cash funds exist.

- (a) Cash Floats held not reflected in financial records.

An inspection of the trial balance revealed that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in the Shire's financial records.

It is recommended the CEO ensure all cash floats are recorded in the Shires financial records.

- (b) Update of Financial Policies required.

Policy 3.9 – Petty Cash and Floats currently includes a \$300 float for Dowerin Home Care, which is no longer in existence. It is also noted that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in Policy 3.9.

It is recommended the CEO undertake a comprehensive review of all finance policies to ensure they are consistent with legislation and reflect current financial practices and cash floats held.

(11) 34-250.1.2 – Recorded Bank accounts exist.

- (a) Outstanding bank transactions not recorded in general ledger.

An examination of the Municipal bank reconciliation at 30 June 2022 revealed that \$296,348.51 worth of transactions were not recorded resulting in the cash at bank being understated in the annual financial report.

It is recommended the outstanding unrecorded transactions totalling \$296,348.51 listed on the bank reconciliation be processed into the general ledger as a matter of urgency. This will ensure the trial balance of the Shire will reflect the reporting in the Annual Financial Report submitted to the auditors and reduce the potential for errors and imbalances moving forward.

(12) 36-270 Recorded payroll transactions are correctly summarised and posted.

- (a) Single Touch Payroll (STP) report not reconciled to Gross Salaries & Wages general ledger account.

An inspection of the STP report showed that deductions for housing bonds and child support payments had been set up as pre-tax deductions from employee pays when the system conversion to ALTUS payroll was undertaken. The set-up of the deductions as pre-tax has resulted in the Shire not deducting the correct tax from the employees pay.

Further, the pre-tax deductions afforded are deemed to be fringe benefits under the *Fringe Benefits Tax Act 1986* and no exemption provisions exist under the legislation to reduce the FBT liability associated with providing the fringe benefit and reduction of pay as you go withhold tax (PAYGW).

It is recommended that the CEO:

- (i) amend the housing bond deduction and child support deduction set-up so they are designated as post-tax deductions; and
- (ii) consider what action needs to be taken in relation to the FBT and PAYGW implications as a result of these deductions being incorrectly set up on the ALTUS payroll system as pre-tax deductions.

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10.0 REGISTERS

The Local Government Act and its regulations provides that the following registers relating to financial management matters be maintained:

Tender Register	Section 3.57 of the <i>Local Government Act 1995</i> and Regulation 17 of the <i>Local Government (Functions and General) Regulations 1996</i> .
Financial Interest Register	Section 5.88(2) of the <i>Local Government Act 1995</i> and Regulation 28 of the <i>Local Government (Administration) Regulations 1996</i> .
Electoral Gifts Register	Section 4.59 of the <i>Local Government Act 1995</i> and Regulation 30G of the <i>Local Government (Election) Regulations 1997</i> .
Gifts Register (Code of Conduct)	Section 5.103(3) of the <i>Local Government Act 1995</i> and Regulation 34B(3) of the <i>Local Government (Administration) Regulations 1996</i> .
Annual Return	Section 5.76 of the <i>Local Government Act 1995</i> and Regulation 23 of the <i>Local Government (Administration) Regulations 1996</i> .
Primary Return	Section 5.75 of the <i>Local Government Act 1995</i> and Regulation 22 of the <i>Local Government (Administration) Regulations 1996</i> .
Investment Register	Regulation 19 of the <i>Local Government (Financial Management) Regulations 1996</i> .

Observations

A review undertaken revealed that all the above-mentioned registers, except the Investment Register, are maintained in accordance with the legislation by the Shire.

The Shire currently does not maintain an Investment Register that meets the requirements of Regulation 19 of the *Local Government (Financial Management) Regulations 1996*.

11.0 OTHER MATTERS

In order to undertake a review of the appropriateness and effectiveness of the Shire's Financial Management Systems and procedures it was necessary to carry out a review of the Shire's financial delegations and policies.

Areas identified where a Policy would be of benefit include:

1. A policy framework on employee professional development and staff training;
2. A policy framework on internal controls; and
3. A policy framework on legislative compliance.

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12.0 FINDINGS

Proper Collection of All Money Owing to the Shire

- (1) There was no evidence that a recent review of rate exempt properties had been performed in the last 4 years.

Periodic reviews of non-rateable properties should be performed to ensure any properties granted rate exemption under Section 6.26 of the *Local Government Act 1995* meet the exemption requirements.

To assist with the rate exemption status reviews, a Rate Exemption register should be maintained and record information such as assessment number, property address, suburb/town, ratepayer, use of property, exemption reason, exemption description, review date and land use.

It is suggested the review period be performed at least once every 2 years.

- (2) The Shire's Petty Cash Policy – 3.9 needs to be updated to remove the float for the Dowerin Home Care; and add the \$50 float held for the Home Care Gentle Gym and the \$200 float for the swimming pool.
- (3) There is no evidence to support a check is performed by a supervisor of the CHSP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several CHSP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.
- (4) The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care services provided under a CHSP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to CHSP clients for their contribution to the CHSP services, when in actual fact it should be GST-free. It is suggested the Shire review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$15 to \$14).
- (5) There is no evidence to support a check is performed by a supervisor of the HCP customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several HCP debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately. It is suggested that the Home Care Coordinator review and sign each HCP debtor invoice batch report to certify the report as being checked to the SMS reports, to strengthen internal controls.
- (6) The Commonwealth Government *GST-free Supply (Care) Determination 2017* designates all home care package services provided under an HCP funding arrangement as GST-free supplies. The Shire has been charging a GST inclusive fee to HCP clients for their contribution to the HCP services, when in actual fact it should be GST-free. It is

suggested the Shire review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price (change from \$60 to \$55).

- (7) The July 2021 HCP subsidy of \$31,679.52 received on 17 August 2021 was receipted with GST of \$2,879.96 deducted from the amount, resulting in the Shire overpaying its GST liability. It is suggested the Shire lodge a BAS amendment for August 2021 to claim back the GST overpayment.
- (8) The Accounts Receivable process has the following weakness:
 - (a) There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately. It is suggested that the Deputy CEO review each debtor invoice batch report and certify the report as being checked to strengthen internal controls
- (9) The Mail/Cashiering process has the following weakness:
 - (a) Cheques or money orders received via the mail are not recorded in the Excel Inwards Mail Register. It is an important internal control function to keep a record of all cheque payments received via the mail. It was noted that the number of cheques received via the mail is very minimal.

Safe Custody and Security of all Money Collected and held by the Shire

- (10) The swimming pool contractor is issued with a \$200 float from the strong room at the beginning of each pool season. There is no record of this float in the balance sheet or in Policy 3.9.
- (11) The Home Care Gentle Gym has a cash float of \$50. There is no record of this float in the balance sheet or in Policy 3.9.
- (12) Cash takings for gentle gym fees are not receipted in Synergy on the day received by Home Care Administration Support Officer (HCASO). The cash received is held until the end of the month and then receipted.
- (13) The Shire has an Investment Register, but it does not meet the requirements of the regulations. Transactions relating to the investments are not recorded in the current register.

Proper Maintenance and Security of the Shire's Financial Records

- (14) The local government does not test and validate data backups regularly.
- (15) The local government does not have an IT Disaster Recovery Plan/Strategy or ICT Data backup and Recovery Guideline.

Ensure Proper Accounting for all Income, Expenditure, Assets, Liabilities of the Municipal and Trust Funds

- (16) There are only informal procedures for key financial tasks. It is suggested that these informal procedures be compiled into detailed formalised procedures, with screenshots at critical stages of the process. This will allow any employee to temporarily fill a position in an emergency and follow the procedure document`.
- (17) Sample testing was conducted of the Municipal Fund bank reconciliation for 30 November 2021, 31 December 2021, 30 April 2022, and 30 June 2022. The amounts appearing on the bank statement were verified in the respective bank accounts on the SynergySoft system, with the exception of the list of transactions yet to be recognised in the general ledger listed in the reconciliation itself. The bank reconciliation balance was reported correctly in the Monthly Statement of Financial Activity, however the figures in note 2 show the bank balance and not the general ledger balance. The bank reconciliation for 30 June 2022 was not finalised at time of review. It is suggested the outstanding unrecorded transactions totalling \$296,348.51 listed on the bank reconciliation be processed into the general ledger as a matter of urgency. This will ensure the trial balance of the Shire will reflect the reporting in the Annual Financial Report submitted to the auditors and reduce the potential for errors and imbalances moving forward.
- (18) It is suggested that the Council consider developing a policy on Staff Training and Professional Development, as this is an important avenue for staff to further enhance their skills and knowledge in managing the Shire's financial records.
- (19) The Accounts Payable process has the following weakness:
- (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.
- (20) The Accounts Receivable process has the following weakness:
- (a) There is no check performed by a supervisor of the customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report. Several general debtor invoice batch reports were sampled and there was no evidence of a review by a supervisor. This independent check would provide internal control measures that data entry is occurring correctly including GST being reported appropriately.
- (21) The Petty Cash process has the following weaknesses:
- (a) A petty cash recoup form is not utilised to summarise receipts, code each expense transaction and provide a total for the amount of the recoup.
- (b) When the petty cash recoup is undertaken, it is not reviewed and certified by a supervisor prior to reimbursement and recoup being performed.
- (c) A supervising officer does not review the petty cash invoice batch report prior to update by the FAO. This independent check would provide internal control

measures that data entry is occurring correctly including GST being reported appropriately.

- (22) The analysis of the 31 payments revealed there were 2 errors in the GST coding of supplier invoices, resulting in the overclaiming of entitled GST credits.

Proper Authorisation for the Incurring of Liabilities and Making of Payments

- (23) A recent restructure of the organisation has occurred, with several positions being renamed. The Delegations Register and Policy Manual still refer to positions that no longer exist. It is suggested that the Delegations Register and Policy Manual be reviewed in detail, specifically those relating to finance, to ensure the positions and the powers delegated reflect the current organisational structure.
- (24) At the time of inspection of the Tender Register, it was noted that the Register did not contain any particulars of the making of the decision to invite tenders. The Register was updated at the time of review, so no further action is required.
- (25) The review of the lodgement of Business Activity Statements (BAS) highlighted the BAS returns for July, August and September 2022 were lodged after the due date.
- (26) The Accounts Payable process has the following weakness:
- (a) Supplier invoice batch reports are not reviewed by a supervisor and authorised for update prior to updating by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.

Maintenance of Payroll, Stock Control and Costing Records

- (27) Diesel fuel is held as stock on hand. A review of the stock management process highlighted:
- (a) a stock valuation report was not produced to verify opening balances plus stock movements equals fuel closing balance.
 - (b) the incorrect average price was used for fuel issues during the year; however this was corrected at 30 June 2022 by an adjusting entry.
- (28) The Single Touch Payroll data file was not correctly reconciled to the SynergySoft gross salaries and wages paid data.

Preparation of Budget Accounts and Reports required by the Local Government Act and the Financial Management Regulations

- (29) The local governments Workforce Plan is currently under review.
- (30) The Schedule of Fees and Charges lists CHSP fees and HCP fees as including GST. The Commonwealth Government *GST-free Supply (Care) Determination 2017* provides for these fees to be GST free, as:

- (a) The Shire receives funding from the Commonwealth in connection with the supply; and
- (b) The supply is made to a targeted person; and
- (c) The supply is a listed service for a targeted person.

Internal Control Evaluation

(31) The Internal Control Evaluation has identified the following weaknesses-

- (a) 30-250.1.1 – All sales invoices raised are properly supported/validated with documentation.
 - (i) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.
 - (ii) Sales invoices raised not in accordance with Schedule of Fees & Charges.
9 invoices out of a sample of 49 invoices examined revealed the charges raised were not in accordance with the Schedule of Fees & Charges adopted by Council.
 - (iii) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.
- (b) 30-250.1.2 – All sales invoices are bona-fide.
 - (i) Invoices raised are not reviewed and checked to the Debtors Batch Transaction Listing by a Supervisor and are not verified to supporting documentation.
- (c) 30-270.2.2 – All sales invoices are correctly recorded in the accounts.
 - (i) Reconciliation of debtor's general ledger control account to the debtor's subsidiary ledger is not performed consistently.
 - (ii) There is a lack of segregation between the invoice raiser and the invoice approver.
- (d) 30-270-2-4 – All cash receipts are deposited.
 - (i) Bank reconciliations for the months of July 2022 to October 2022 were not finalised.
- (e) 30-270.2.5 – All cash sales/miscellaneous receipts are accounted for.
 - (i) Investment Register is not maintained for investments in accordance with the Regulations.

It is suggested the investment register be amended to include the information required by Financial Management Regulation 19(2).
 - (ii) Report on Investments not prepared in accordance with Policy 3.2

Policy 3.2 requires a report on investments containing the information in Financial Management Regulation 19(2) be prepared and submitted to Council.

- (f) 30-330.4.1 – Sales invoices are correctly calculated.
- (i) A series of fees and charges levied via sales invoices were not in accordance with the Schedule of Fees and Charges adopted by Council, and some fees included GST when they should be GST free.
- It is suggested that all debtor invoices have supporting documentation attached to them to allow the verification of the nature of the services provided and the fee being charged.
- It is suggested the Deputy CEO undertake the role of checking invoices raised and to certify debtor invoice batch listings to improve internal controls.
- (ii) There is a lack of segregation between the debtor invoice raiser and the invoice approver.
- (g) 31-250.1.1 - All purchases/expenses and related liabilities are supported by evidence of relevant goods or services being received
- (i) Delegations and Policies require updating.
- Delegation 4.2 records the incorrect tender threshold of \$150,000 – this should be \$250,000 as per Regulation 11A of the *Local Government (Functions and General) Regulations 1996*.
- Policy 3.9 – Petty Cash and Floats currently includes a \$300 float for Dowerin Home Care, which is no longer in existence. It is also noted that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in Policy 3.9 or recorded in the Shire's financial records.
- (ii) Potential late lodgement of Business Activity Statements.
- July 2022 to September 2022 Business Activity Statements were not available for inspection and may not have met the lodgement requirements set by the ATO.
- (iii) Incorrect calculation of GST on supplier invoices.
- (h) 33-250.1.1 - Stocks and work-in-progress are adequately safeguarded.
- (i) Fuel allocations not processed in general ledger regularly.
- (ii) Policy 4.1 – Fuel Stock Policy requires updating.
- (iii) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.
- (iv) Discrepancy in value of Fuel on Hand.
- A review of records showed that a diesel fuel stock adjustment at 30 June 2022 was made to the value of \$24,530.23 due to an incorrect unit price being used to calculate fuel issues.

- (i) 33-270 All transactions are accurately recorded in the stock records and posted to the correct accounts.
 - (i) Fuel allocations not processed in general ledger regularly.
 - (ii) There is a lack of segregation between the fuel issues raiser and the fuel issues approver.
- (j) 34-250.1.1 – Recorded cash funds exist.
 - (i) Cash Floats held not reflected in financial records.

An inspection of the trial balance revealed that cash floats provided to the swimming pool of \$200 and the Gentle Gym program of \$50 are not recorded in the Shire's financial records.
 - (ii) Update of Financial Policies required.
- (k) 34-250.1.2 – Recorded Bank accounts exist.
 - (i) Outstanding bank transactions not recorded in general ledger.

An examination of the Municipal bank reconciliation at 30 June 2022 revealed that \$296,348.51 worth of transactions were not recorded resulting in the cash at bank being understated in the annual financial report.
- (l) 36-270 Recorded payroll transactions are correctly summarised and posted.
 - (i) Single Touch Payroll (STP) report not reconciled to Gross Salaries & Wages general ledger account.

An inspection of the STP report showed that deductions for housing bonds and child support payments had been set up as pre-tax deductions from employee pays when the system conversion to ALTUS payroll was undertaken. The set-up of the deductions as pre-tax has resulted in the Shire not deducting the correct tax from the employees pay.

Further, the pre-tax deductions afforded are deemed to be fringe benefits under the *Fringe Benefits Tax Act 1986* and no exemption provisions exist under the legislation to reduce the FBT liability associated with providing the fringe benefit and reduction of pay as you go withhold tax (PAYGW).

13.0 IMPROVEMENT RECOMMENDATIONS

As a result of the findings, the following improvement recommendations are made:

- (1) That the CEO implement new internal control procedures for the reviewing of rate exempt properties, including the establishment of a rate exemption register, to strengthen internal controls.
- (2) That the CEO review Council Policy 3.9 to incorporate the floats for the swimming pool and Dowerin Home Care.
- (3) That the CEO implement new internal control procedures for Commonwealth Home Support Package (CHSP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.
- (4) That the CEO review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.
- (5) That the CEO implement new internal control procedures for Home Care Package (HCP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.
- (6) That the CEO review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.
- (7) That the CEO lodge a Business Activity Statement amendment for August 2021 to claim the GST overpayment related to the GST deducted from the HCP subsidy received on 17 August 2021.
- (8) That the CEO implement new internal control procedures for Accounts Receivable, where the Deputy CEO reviews each debtor invoice batch report and certifies the report as being checked to strengthen internal controls.
- (9) That the CEO implement new internal control procedures for Mail/Cashiering, where the officer opening the mail records cheque and money order payments in the Excel Inwards Mail Register.
- (10) That the CEO authorise the posting of a general journal entry to record the cash floats for the swimming pool of \$200 and Dowerin Home Care of \$50 in the balance sheet.
- (11) That the CEO implement new internal control procedures for Gentle Gym, where the cash taken at gentle gym classes is receipted on the day it is received at the office.
- (12) That the CEO implement an updated Investment Register that complies with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* requirements.

- (13) That the CEO obtain regular reports from the external IT provider that data backups have been validated and ensure an annual test of a full system restore is performed.
- (14) That the CEO implement an IT Disaster Recovery Plan/Strategy and an ICT Data backup and Recovery Guideline.
- (15) That the CEO implement formalised procedures for key financial tasks that will allow any employee to temporarily fill a position in an emergency.
- (16) That the CEO arrange for the outstanding unrecorded transactions totalling \$296,348.51 listed on the Municipal Fund bank reconciliation be processed into the general ledger as a matter of urgency.
- (17) That the CEO consider developing a policy on employee training and professional development.
- (18) That the CEO implement new internal control procedures for Accounts Payable where the Deputy CEO reviews and certifies the supplier invoice batch listing to supplier invoices prior to batch update by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.
- (19) That the CEO implement new internal control procedures for Petty Cash where:
 - (a) A petty cash recoup form is implemented to summarise petty cash receipts, code each expense transaction and provide a total for the amount of the recoup; and
 - (b) the Deputy CEO reviews and certifies the amount of the reimbursement and recoup before it is performed; and
 - (c) the Deputy CEO reviews and certifies the recoup reimbursement prior to entry into SynergySoft.
- (20) That the CEO undertake a review of the Delegations Register and Policy Manual to ensure position titles reflect those of the recent organisational restructure.
- (21) That the CEO implement new internal control procedures for diesel fuel stock where the Deputy CEO reviews and certifies a monthly stock valuation report to verify opening balances plus stock movements equals fuel closing balance.
- (22) That the CEO implement new internal control procedures for payroll to ensure the STP data file matches SynergySoft gross salaries and wages data.
- (23) That the CEO place a priority on the review of the Workforce Plan.
- (24) That the CEO prepare a report for Council to consider what action, if any, needs to be taken to address the findings and weaknesses identified in relation to the Internal Control Evaluation.

14.0 OPINION

The review of the Financial Management Systems and Procedures developed by the Shire of Dowerin indicates that, except for those matters identified in the findings and recommendations section of this report, they are appropriate and effective for the particular operations and size of the Shire. In addition, the review has concluded that, except where indicated in this report, the Shire has observed the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

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ATTACHMENT 1
SAMPLE POLICIES AND DELEGATIONS

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Policy Type:	
Date Adopted:	

Policy No:	XX
Date Last Reviewed:	

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 (As Amended) – Section 6.5. 2. Local Government Act 1995 (As Amended) – Section 7.13.

Legal (Subsidiary):
<ol style="list-style-type: none"> 1. Regulation 5, Local Government (Financial Management) Regulations 1996. 2. Regulation 17, Local Government (Audit) Regulations 1996.

Delegation of Authority Applicable	Yes/No
Delegation Number	

Work Procedure Applicable	
Work Procedure Number	

ADOPTED POLICY	
Title:	INTERNAL CONTROL POLICY
Objective:	To provide a policy framework for the establishment of documented internal controls that are implemented based on risk management principles.

1.0 General

Systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. These systems not only relate to accounting and reporting but also include communication and organisational processes both internally and externally, staff management and error handling.

2.0 Internal Control Framework

An appropriate and effective internal control framework is the responsibility of all employees. All employees are accountable for implementing systems, controls, processes and procedures in their own area of responsibility and will play a part in the internal control framework in differing degrees.

The Audit Committee and Council are responsible for mandating that a strong internal control framework be implemented in order to have assurance of the good governance of the organisation. The Chief Executive Officer will report regularly to the Audit Committee and Council on the review and improvement to Council's internal control framework.

3.0 Monitoring, Reviewing and Reporting

A monitoring and reporting system will be implemented with will provide biannual reports to management, the Audit Committee and Council on the status of Risk Management, Internal Controls and Legislative Compliance within the local government, which will identify for specific areas for review.

Policy Type:	
Date Adopted:	

Policy No:	XX
Date Last Reviewed:	

<p>Legal (Parent):</p> <ol style="list-style-type: none"> 1. Local Government Act 1995 (As Amended) – Section 6.5. 2. Local Government Act 1995 (As Amended) – Section 7.13.

<p>Legal (Subsidiary):</p> <ol style="list-style-type: none"> 1. Regulation 5, Local Government (Financial Management) Regulations 1996; 2. Regulation 17, Local Government (Audit) Regulations 1996.
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Delegation of Authority Applicable	No
Delegation Number	

Work Procedure Applicable	Yes
Work Procedure Number	XX

ADOPTED POLICY	
Title:	LEGISLATIVE COMPLIANCE POLICY
Objective:	To provide a policy framework for the establishment of documented processes and procedures to ensure the local government complies with legislative requirements

1.0 General

The local government will have appropriate processes and structures in place to ensure that legislative requirements are achievable and are integrated into the operations of the local government.

These processes and structures will aim to:-

- (a) Develop and maintain a system for identifying the legislation that applies to the Shire's activities.
- (b) Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented.
- (c) Provide training for relevant staff, Councillors, volunteers, and other relevant people in the legislative requirements that affect them.
- (d) Provide people with the resources to identify and remain up-to-date with new legislation.
- (e) Establish a mechanism for reporting non-compliance.
- (f) Review accidents, incidents, and other situations where there may have been non-compliance.
- (g) Review audit reports, incident reports, complaints, and other information to assess how the systems of compliance can be improved.

2.0 Roles and Responsibilities

(a) Councillors and Committee Members

Councillors and Committee members have a responsibility to be aware and abide by legislation applicable to their role.

(b) Senior Management

Senior Management should ensure that directions relating to compliance are clear and unequivocal and that legal requirements which apply to each activity for which they are responsible are identified. Senior Management should have systems in place to ensure that all staff are given the opportunity to be kept fully informed, briefed and/or trained about key legal requirements relative to their work within the financial capacity to do so.

(c) Employees

Employees have a duty to seek information on legislative requirements applicable to their area of work and to comply with the legislation.

Employees shall report through their supervisors to Senior Management any areas of non-compliance that they become aware of.

3.0 Implementation of Legislation

The local government will have procedures in place to ensure that when legislation changes, steps are taken to ensure that future actions comply with the amended legislation.

**ATTACHMENT 2
INTERNAL CONTROL
EVALUATION WORKSHEETS
(AS THEY APPLY TO LOCAL GOVERNMENT)**

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone
Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Existence / Occurrence 1.1

T30-260 1.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.1 All invoices raised are properly supported/validated by goods being dispatched.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Delegation 5.2 Write of Debts other than rates and service fees. Limited to \$200 delegated to CEO and on delegated to Manager Corporate and Community Services (MCCS) greater than to be referred to Council and only after e. A debt may only be written off where all necessary measures have been taken to locate/contact the debtor and where costs associated with continued action to recover the debt will outweigh the net value of the debt if recovered by the Shire of Dowerin, or where the value of the debt makes attempts to recover uneconomical			Invoices are raised for services and materials provided as detailed in the Schedule of Fees and Charges except when receipts are issued over the counter or EFT transfers for such items as FAG grants. Invoices are also raised for Commonwealth Home Support Program and Home Care Package SMS software is utilised to record service delivery data which is utilised to invoice clients. Invoices are raised via the Synergy Software	
Delegation 5.5 Agreement as to payment of rates and service charges authority to make agreements delegated to CEO and MCCS			Examples of invoices raised as per debtors batch transactions listing are for short stay accommodation, staff housing reimbursements, private works, grants and contributions ie RRG and Flood Damage, cemetery fees, hall hire, reimbursements, CHSP, community bus rental, plant hire, gym card access and drum muster	
Delegation 5.7 Recovery of rates and Services Charges to recover rates outstanding including recovery costs and lodge and withdraw caveats delegated to CEO and MCCS			Source documentation relating to the raising of invoices comprise of invoice request forms, requests for private works forms, acquittal and progress payment forms, reimbursement invoices by supplier, CHSP services reports by client, bus hire drivers report, application hire community bus, application for hire of public buildings, hire form, online bookings short stay accommodation and new debtor details form.	
Delegation 5.8 Recovery of rates debts requiring lessee to pay rent 1. Authority to give notice to a lessee of land in respect of which there is an unpaid rate or service charge, requiring the lessee to pay its rent to the Shire of Dowerin (s.6.60(2)). 2. Authority to recover the amount of the rate or service charge as a debt from the lessee			process in relation to the raising of invoices the follow forms are completed and duly authorised Debtors Invoice request Form, New Debtors Details, Debtors Credit Note Request Form,	
Policy 3.4 Finance authorisation Policy, MCCS authorises the transactions by signing the relevant forms for new debtors and debt collection			Trade Debtors invoices raised for trade debtors are not verified or checked by a supervisor or authorising officer. Debtors Batch Transaction Listing only signed by Finance Admin Officer (Creditors/Debtors) and in one instance also signed by MCCS / DCEO. Invoices raised for CHSP are checked by the DHCS Coordinator before printing and posting. It is noted that GST is charged for CHSP these supplies are GST Free when government funded	
Policy 3.6 Bank Account Policy, Bank Account Transactions all deposits received will be banked the date after receipt apart from when bank closure prevents this. In all other instances, deposits will be made immediately on the morning the bank re-opens. Unallocated direct deposits will be fully investigated to determine the source of deposit. Until a receipt is identified, the funds will be received exclusive of GST into an Unclassified Income GL and identified as 'Deposit Unknown'. Upon such time that the receipt is identified, the Manager Corporate & Community Services or Finance Officer will reallocate the funds to the correct account.			Trade debtors batch transaction listing is printed from synergy and filed by Finance Admin Officer, batch is updated by Finance Admin Officer in synergy. For CHSP invoices are raised by the assistant coordinator and filed in CHSP Service Summary and Monthly Accounts File	
			End of month the Finance Admin Officer completes the Debtors Reconciliation by stating the amounts in the GL control and the Receivables Aged Trail Balance Report which is verified by the MCCS / DCEO detailing confirmation of GL Debtors Control to Debtors Aged Trail Balance and actions taken on outstanding balances. No reconciliation sighted for the months of July and October 2022 and the month of February 2022 did not reconcile by \$645	
			Synergy Debtors Procedure Manual utilised	
Weaknesses		Impact on procedures		W/P
For Trade Debtors checking of invoices to Debtors Batch Transaction Listing is not carried out, nor is supporting documentation		No verification of correctness of data from supporting documentation to invoices and invoices to debtors batch transaction listing, listing not signed and batch posting not signed by authorising officer		

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Client Details			
Client Name	Shire of Dowerin	Preparer	Dominic Carbone
Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022
Charges not in accordance with Schedule of fees and charges number of invoices raised 533 sample 49 trade debtors, sample 10 CHSP, for period 01-11-2021 to 31-10-2022 or 11%.		Invoices checked to Schedule of Fees and Charges Invoice 18900 charge not found in the schedule for recalculation sand, Invoice 18867 and 19156 rent for unit 4/18 Memorial Ave charged \$128 in schedule \$180 pw, Invoice 18860 discount of 50% not in the schedule for short stay accommodation, Invoice 19203 incorrect calculation for short stay accommodation, Invoice 19204 states rental fee of \$50 pw not in schedule but subject to MDU not sighted, Invoice 19209 emulsion charged at \$1.30 per litre not in schedule should it be charged at cost or cost plus no supporting documentation, Invoice 19208 plant hire charge for Multi Tyred Bomag Roller not in schedule \$230 per hour, Invoice 19157 charged at \$180 per week should be \$190 per week 3/18 Memorial Ave rental, Invoice 19119 charged at \$150 in schedule \$200 per day for tree planter hire, Invoice 18975 overcharge of 1 CHSP domestic Service \$18 including GST should be a GST FREE service CHSP Invoices should be GST Free additional GST paid to ATO is estimated between \$60 - 70 per month	
Supporting documentation		Invoices checked to supporting documentation, documentation to invoices sighted in most instances	
Debtors Reconciliations		Prepared monthly, no reconciliation sighted for July, October 2022	
Debtors Aged Trail Balance		As at 30 September 2022 \$1,906,383.69 was outstanding of which \$582,931.50 was outstanding for 90 days or more. It is noted that debtors for CHSP and HCP are paid promptly and as at 30 June 2022 \$847,929.94 was outstanding of which \$3066.58 was outstanding for 90 days or more	
Has the control objective been met?			Y
Control Conditions		Status	Answer
(a) Duties are segregated, particularly in relation to ordering, dispatch, invoicing and handling of cash receipts.		✓	Y
(b) All invoices are supported by relevant delivery documentation.		✓	X
(c) Supervision is effective.		✓	Y

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Existence / Occurrence 1.2

130-250 1.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
 Control objective: 1.2 All invoices raised are bona-fide.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
SAMPLE OF 59 refer 30.250.1.1			Statements are sent out to debtors on a monthly basis	
			supporting documentation are filed by month and comprise of refer 30 - 250 1.1	
			all invoices checked appear to be bona fide	

Weaknesses	Impact on procedures	W/P
Invoices raised are not checked to Debtors Batch Transaction Listing by a supervisor or other officer nor was the Debtors Invoice Request Form authorised prior to July 2022. From July 2022 the procedure was amended for the MCCS/DCEO to authorise the Debtors Invoice Request Form however this was not done in all instances.	Invoices raised prior to July 2022 were not verified for correctness before posting and mailing to customer in relation to charges raised as per schedule of fees and charges. From July 2022 the MCCS /DCEO on one occurrence signed the Debtor Batch Transaction Listing and authorisation of the Debtors Invoice Request Form on an inconsistent basis, the Debtors Batch Transaction Listing is checked to GL Impact Statement by Finance Admin Officer (Creditors and Debtors)	

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated, particularly in relation to invoicing, credit control and handling of cash receipts.	✓	Y
(b) Invoices are promptly processed.	✓	Y
(c) Manual or non-system invoices are independently authorised.	✓	X
(d) All invoices are correctly processed and accounted for.	✓	Y
(e) Statements are promptly sent to debtors.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Sales, Debtors and Cash Receipts - Completeness / Classification 2.1			§30-270 2.1
Smart Review	0	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.1 All goods dispatched are invoiced

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Refer 30-250 1.1				

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated, particularly in relation to ordering, dispatch, invoicing and handling of cash receipts.	✓	Y
(b) Access to dispatch area is effectively controlled. Security prevents unauthorised movement of stock.	✓	X
(c) The preparation of sales orders and dispatch notes is properly controlled.	✓	X
(d) Continuity of dispatch notes and sales order numbers is assured.	✓	X
(e) Sales orders and dispatch notes are matched with relevant invoices.	✓	X
(f) Any unmatched and/or missing items are properly cleared.	✓	X
(g) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Completeness / Classification 2.2

30-270 2.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 2. Completeness / Classification

Control objective: 2.2 All sales invoiced are correctly recorded in the accounts.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			All invoices raised are sequentially numbered	
			Sample check of postings conducted as detailed in GL Impact Statement for each batch of invoices raised	
			All invoices are raised via financial software	
			Finance Admin Officer (Creditors/Debtors) raises invoices and sends invoices to customers ,invoices raised not checked by a supervisor or other officer prior to	
			Finance Admin Officer (Creditors/Debtors) updates debtors invoice batch in financial software	
			Finance Admin Officer (Creditors/Debtors) raises credit notes, attaches supporting documentation and states reason	
			Finance Admin Officer (Creditors/Debtors) prepares reconciliation on a monthly basis and MCCS/DCEO reviews by checking that the debtors subsidiary ledger balance agrees to GL control account ,monthly balances reconcile in all instances for reconciliations sighted No reconciliations sighted for the months of July and October 2022 and February 2022 did not reconcile by \$6455	
			Finance Admin Officer (Creditors/Debtors) undertakes the raising of invoices, debtors control function undertaken in conjunction with MCCS/DCEO	

Weaknesses	Impact on procedures	W/P
Monthly Debtors Reconciliation	Recommended that debtors subsidiary ledger be reconciled each and every month	
Segregation of Duties	Recommended that the MCCS/DCEO or an appropriate officer undertake the role of checking invoices raised to source documentation and debtors batch transaction listing , certify debtors batch transaction listing and authorises posting to GL, to improve internal control	
Has the control objective been met?		Y

Control Conditions	Status	Answer
(a) Duties are segregated, particularly in relation to invoicing, ledger maintenance and handling of cash receipts.	✓	Y
(b) Prior to posting to the general ledger, there is a sequence check of all invoices.	✓	Y
(c) There are satisfactory procedures for cancelled invoices.	✓	Y
(d) Controls exist to ensure that all invoices are properly posted to the general ledger.	✓	Y
(e) An independent person performs a reconciliation of the debtor(s) subsidiary ledger to the control account.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#) [Goto CheckList](#)

Internal Control Evaluation Form			
Sales, Debtors and Cash Receipts - Completeness / Classification 2.3			130-270 2.3
Smart Review	0	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.3 All sales invoiced are costed and removed from the inventory account

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			All stores held for resale are detailed in the SFC	
			Sales are made to the public for gravel, sand, rock dust, blue metal and mulch	
			Private works are costed in accordance with the schedule of fees and charges by the Manager of Works and Assets by the completion of the Request For Private Works Form	
			all material purchases with the exception of diesel fuel are expensed and not recorded in stores	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Costing sheets and/or costing copies of sales invoices are independently followed up.	✓	Y
(b) Costing calculations are checked and tests are performed on gross profit by invoice or stock item.	✓	X



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Client Details			
Client Name	Shire of Dowerin	Preparer	Dominic Carbone
Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto Checklist](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Completeness / Classification 2.4

T30-270 2.4

Smart Review	0	Unanswered Questions	0
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Audit assertion: **2. Completeness / Classification**
 Control objective: **2.4 All cash receipts received are deposited.**

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Sample test of daily cash receipting and bank deposit for month of August 2022	
			Banking at least weekly dependent on funds received bank opens 3 days per week	
			Money is received at the following facilities, Admin Centre and Swimming Pool located in Dowerin and via the Gentle Gym Program money is collected and recorded on a attendance sheet and a handed to Assistant Coordinator which is counted on handover receipted monthly at Admin Office	
			Bank reconciliation prepared and checked monthly sample check conducted for June 2022, bank reconciliations undertaken by Finance Admin Officer (creditor/Debtors) and reviewed by MCOSS/DCEO, July- October 2022 bank reconciliations not yet finalised A manual bank reconciliation was prepared for June 2022 as the Bank Reconciliation Module in Synergy is not working	
			CSO balances daily takings to End of Day Reports which are reviewed by RO/GO and sign Receipt Reconciliation Form CSO prints cash receipts bank deposit listing on reconciling and files	
			CSO prepares bank deposit slip manually and deliver deposits to the bank located in Dowerin, Bank stamps a duplicate copy which is filed in the daily receipts file for the month	
			System generated receipt issued from Synergy for the Shire	
			For cancelled receipts a Receipt Cancellation Note Request Form is completed by officer requesting cancellation and processed reason stated and credit note raised is filed in the cancelled receipts file	

Weaknesses	Impact on procedures	W/P
Bank Reconciliations for the months of July to October not finalised	Recommended that bank reconciliations are finalised as any omission of receipts and payments will impact on the accuracy of the monthly financial reporting	

Has the control objective been met? **Y**

Control Conditions	Status	Answer
(a) Duties are segregated, particularly as regards recording of amounts receivable and handling of cash receipts.	✓	Y
(b) Satisfactory mail opening procedures are in place, ie two people present, cheques restrictively crossed/stamped for "deposit only", remittances recorded for checking to subsequent deposits.	✓	Y
(c) Amounts received through the mail are handed promptly to the cashier.	✓	Y
(d) Cash sales including the use of pre-numbered cash sale documents are satisfactorily controlled.	✓	Y
(e) There are satisfactory controls over amounts received at branches and other outside locations.	✓	X
(f) All receipts are sequentially pre-numbered and adequately accounted for.	✓	Y
(g) Unexpected cash counts are conducted.	✓	X
(h) All amounts received are deposited intact and promptly.	✓	Y
(i) Daily deposit totals, debtors postings and cash sales are reconciled.	✓	Y
(j) Bank reconciliations are regularly prepared and independently checked.	✓	Y
(k) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Completeness / Classification 2.5

30-270 2.5

Smart Review	0	Unanswered Questions	0
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Audit assertion: **2. Completeness / Classification**
 Control objective: **2.5 All cash sales/miscellaneous receipts are accounted for.**

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Motor vehicle licencing receipting accounted for and reconciled to DOT Balance Session Collections Summary Report produced from Trellis software	
			Shire provides home care services. Invoices are raised to clients monthly for CHSP by the Assistant Coordinator and checked by the Coordinator prior to being issued to clients	
			Gentle Gym takings are recorded on a attendance sheet and delivered to assistant coordinator for checking and placed in the safe, on a monthly basis the takings are receipted by the CSO	
			Shire rents to private individuals and aged accommodation. Invoices are raised via synergy. Schedule of fees and charges details the rental charge. Sample check undertaken	
			Swimming Pool takings are receipted weekly and reconciled to tally sheet	
			Proceeds sale of plant. Supplier's invoice state purchase price and trade-in value. Supplier is paid the net amount and grossed in the GL and are detailed in note 7 of the monthly financials	
			Interest received on investments accounted for. No Investment Register maintained apart from the recording of term deposits held in note 2 of the monthly financials	

Weaknesses	Impact on procedures	W/P
Investment Register not maintained for investments	Reg 19 (2) of the Financial Management Regulations 1996 requires (2) The control procedures are to enable the identification of — (a) the nature and location of all investments; and (b) the transactions related to each investment.	
Report to Council on Investments not prepared in accordance with Policy 3.2	Note 2 of the monthly financials does not appear to meet the requirements of Policy 3.2 - Investment Policy	
Has the control objective been met?		Y

Control Conditions	Status	Answer
(a) The sources of miscellaneous receipts are identified.	✓	Y
(b) Miscellaneous receipts are taken up as a receivable or credited direct to an Income account.	✓	Y
(c) Miscellaneous receipts are not obscured by being netted against a debit balance in the general ledger.	✓	Y
(d) There are proper controls over:	✓	Y
(i) Investment income	✓	Y
(ii) Sales of scrap	✓	X
(iii) Sales of fixed assets	✓	Y
(iv) Sales to employees	✓	X
(v) Rents.	✓	Y
(e) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Ownership / Proprietary

330-300

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 Receivables are properly credited, lapping is prevented.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			The Shire does not have a Debt Collection Policy	
			Finance Admin Officer (Creditors/Debtors) along with MCCS/DCEO are responsible for collection of outstanding debts	
			Procedures utilised for debt collection are as follows , a statement is issued monthly which serves as a reminder notice in isolated instances a letter may be sent to arrange a repayment plan A review of the monthly trail balance reveals that debtors outstanding are small when one takes into accounts invoices raised for recoupment of grants and contributions and reimbursements	
			Debts written off under delegation 5.2 are recorded in the Reported of Use of Delegation Authority and reported to Council on a monthly basis as required by the delegation	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated, particularly as regards credit notes, handling and recording of cash receipts.	✓	Y
(b) Credit notes and supporting documentation is authorised.	✓	N
(c) Credit notes are sequentially pre-numbered and are approved independently of debtors clerks.	✓	Y
(d) Discounts are correctly authorised.	✓	Y
(e) The preparation of the trial balance, ageing, review and follow-up of delinquent debtors accounts is performed independently of debtors clerks.	✓	N
(f) Debtors subsidiary ledgers are balanced monthly to control accounts and are independently checked.	✓	Y
(g) Deposit slips have a detailed breakdown of receipts deposited.	✓	Y
(h) Statements have been checked to reconciled debtors balances, and are independently mailed.	✓	Y
(i) The write-off of bad debts is correctly authorised and there is satisfactory control over their subsequent recovery.	✓	Y
(j) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Sales, Debtors and Cash Receipts - Valuation / Measurement 4.1			130-330 4.1
Smart Review	0	Unanswered Questions	0

Audit assertion: 4. Valuation / Measurement
 Control objective: 4.1 Invoices are correctly calculated.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Fees and Charges Schedule	
Sample refer 30 250 1.1			calculations for private works undertaken by Manager of Works and Assets	
			Calculations for CHSP undertaken by Assistant Coordinator based on SME service reports	
			Trade Debtors invoices raised are not checked by independent officer	

Weaknesses	Impact on procedures	W/P
Charges not in accordance with Schedule of Fees and Charges	Loss of potential income or over charged client in relation to CHSP	
Segregation of duties	No independent officer checking for correctness of invoices raised for trade debtors	
Has the control objective been met?		Y

Control Conditions	Status	Answer
(a) Invoices are independently checked for eg prices, quantities etc.	✓	N
(b) Documents are properly cancelled to prevent duplicate invoicing.	✓	X
(c) Price lists are current and updated regularly.	✓	Y
(d) Special terms and discounts are properly authorised.	✓	Y
(e) Supervision is effective.	✓	Y

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Valuation / Measurement 4.3

¶30-330 4.3

Smart Review	0	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement
Control objective: 4.3 Overdue accounts are followed up.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			The Shire does not have a policy for the recovery of outstanding debts. M CCS / DCEO has authority to write off outstanding amounts upto \$200	
			Procedures utilised for debt collection are a statement is issued monthly which service as a reminder notice. In isolated instances a letter may be sent to arrange a repayment plan. A review of the monthly trail balance reveals that debtors outstanding are small when one takes into accounts invoices raised for recoupment of grants and contributions and reimbursements	
			Debts written off under delegation 5.2 are recorded in the Reported of Use of Delegation Authority and reported to Council on a monthly basis as required by the delegation	
			Debt Collection Agency not utilised for trade	
			Delegation 5.2 Authority to write off Monies M CCS \$200 debtors other than rates	
			Outstanding amounts reviewed monthly	
Weaknesses			Impact on procedures	W/P

Has the control objective been met?

Y

Control Conditions

Control Conditions	Status	Answer
(a) Aged trial balances are prepared and reviewed for delinquent accounts.	✓	Y
(b) Independent follow-up occurs.	✓	Y
(c) Amounts received are applied against relevant unpaid invoices.	✓	Y

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Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Sales, Debtors and Cash Receipts - Cut-Off

¶30-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: 5. Cut-Off

Control objective: 5.1 Sales are recorded in the same accounting period in which the goods were dispatched.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Debtors invoices raised promptly , test check carried out to confirm	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Dispatch records are reconciled with sales records.	✓	X
(b) All sales documentation is promptly processed after dispatch.	✓	Y
(c) Sales accounts are reconciled with sales analysis.	✓	Y
(d) Variances from the budget are analysed.	✓	Y

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Client Details

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Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto Checklist](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1

31-250 1.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.1 All purchases/expenses and related liabilities recorded are supported by evidence of relevant goods or services being received.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Delegation 4.1 Expression of Interest for Goods and Services. 1. Authority to determine when to seek Expressions of Interest and to Invite Expressions of Interest for the supply of goods or services [F&G r.21]. 2. Authority to consider Expressions of Interest which have not been rejected and determine those which are capable of satisfactorily providing the goods or services Delegation to CEO MCCS and MWA			Policy No3.4 - Finance Authorisation Policy for purchasing of Fuel, Assets and Equipment and Payment of Invoices delegated to CEO, MCCS, MAW and for payment of Invoices CEO and MCCS	
Delegation 4.2 Tenders for Goods and Services. 1. Authority to call tenders [F&G r.11(1)]. 2. Authority to, because of the unique nature of the goods or services or for any other reason it is unlikely that there is more than one supplier, determine a sole supplier arrangement [F&G r.11(f)]. 3. Authority to undertake tender exempt procurement, in accordance with the Purchasing Policy requirements, where the total consideration under the resulting contract is \$150,000 or less and the expense is included in the adopted Annual Budget [F&G r.11(2)]. 4. Authority to invite tenders although not required to do so [F&G r.13]. 5. Authority to determine in writing, before tenders are called, the criteria for acceptance of tenders [F&G r.14(2a)]. 6. Authority to determine the information that is to be disclosed to those interested in submitting a tender [F&G r.14(4)(a)]. 7. Authority to vary tender information after public notice of invitation to tender and before the close of tenders, taking reasonable steps to ensure each person who has sought copies of the tender information is provided notice of the variation [F&G r.14(5)]. only be approved where a record is retained that evidences: i. A detailed specification; ii. The outcomes of market testing of the specification; iii. The reasons why market testing has not met the requirements of the specification; and iv. Rationale for why the supply is unique and cannot be sourced through other suppliers; b. Tenders may only be called where there is an adopted budget for the proposed goods or services, with the exception being in the period immediately prior to the adoption of a new Annual Budget and where the: i. proposed goods or services are required to fulfil a routine contract related to the day to day operations of the Local Government, ii. current supply contract expiry is imminent, iii. value of the proposed new contract has been included in the draft Annual Budget proposed for adoption, and iv. The tender specification includes a provision that the tender will only be awarded subject to the budget adoption by the Council. c. In accordance with s.5.43, tenders may only be accepted and panels of pre-qualified suppliers established where the total consideration under the resulting contract is \$150,000 or less and the expense is included in the adopted Annual Budget.			Policy 3.6 - Bank Account Policy All payments of monies from or transfers between, any Shire bank accounts whether by cheque, EFT or other online payment method, must be pre-approved by two authorising officers. The designated authorised positions for bank account payments are: 1. Chief Executive Officer; 2. Manager of Corporate & Community Services; 3. Manager Assets & Works; and 4. Finance Officer. Each payment made must be supported by invoice, receipt or other appropriate documentation	
8. Authority to evaluate tenders, by written evaluation, and decide which is the most advantageous [F&G r.18(4)]. 9. Authority to accept or reject tenders, only within the \$150,000 detailed as a condition on this Delegation and in accordance with the requirements of the Functions and General Regulations [F&G r.18(2) and (4)]. 10. Authority to determine that a variation proposed is minor in context of the total goods or services sought through the invitation to tender, subject to a maximum 10% variation and within the \$10,000 detailed as a condition on this Delegation, and to then negotiate minor variations with the successful tenderer before entering into a contract [F&G r.20(1) and (3)]. Shire of Dowerin - Delegations Register 29 Page 11. Authority to seek clarification from tenderers in relation to information contained in their tender submission [F&G r.18(4a)]. 12. Authority to decline any tender [F&G r.18(5)]. 13. If the chosen tenderer is unable or unwilling to form a contract OR the minor variation cannot be agreed with the successful tenderer, so that the tenderer ceases to be the chosen tenderer, authority to choose the next most advantageous tender to accept [F&G r.20(2)] Delegation to CEO, MCCS and MAW				

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Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto Checklist](#)

Internal Control Evaluation Form

Purchase, Creditors and Cash Payments - Existence / Occurrence 1.1

31-250 1.1

Smart Review	0	Unanswered Questions	0
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<p>15. Authority to accept another tender where within 6-months of either accepting a tender, a contract has not been entered into OR the successful tenderer agrees to terminate the contract [F&G r.18(6) & (7)]. Council Conditions on this Delegation: a. Sole supplier arrangements may only be approved where a record is retained that evidences: i. A detailed specification; ii. The outcomes of market testing of the specification; iii. The reasons why market testing has not met the requirements of the specification; and iv. Rationale for why the supply is unique and cannot be sourced through other suppliers; b. Tenders may only be called where there is an adopted budget for the proposed goods or services, with the exception being in the period immediately prior to the adoption of a new Annual Budget and where the: i. proposed goods or services are required to fulfil a routine contract related to the day to day operations of the Local Government, ii. current supply contract expiry is imminent, iii. value of the proposed new contract has been included in the draft Annual Budget proposed for adoption, and iv. The tender specification includes a provision that the tender will only be awarded subject to the budget adoption by the Council. c. In accordance with s.5.43, tenders may only be accepted and panels of pre-qualified suppliers established where the total consideration under the resulting contract is \$150,000 or less and the expense is included in the adopted Annual Budget.</p>		<p>Policy 3.9 - Petty Cash Policy, Issuing Petty Cash A petty cash voucher receipt must be completed before any cash is paid out of the petty cash float. All petty cash voucher receipts must be approved for payment by either the Manager Corporate & Community Services, Dowerin Home Care Coordinator, Chief Executive Officer or Manager Assets & Works. All petty cash vouchers must be supported by a supplier invoice or receipt to justify the expenditure. expenditure. All completed vouchers must have the following details included: 1. Issue date of voucher; 2. Name of person issued the voucher; 3. Amount of monies disbursed; 4. Details of expense; 5. Invoice or receipt; and 6. Signature of approval person. Reconciling Petty Cash The petty cash float is to be reconciled monthly. This is the responsibility of the Petty Cash Custodian. The Manager Corporate & Community Services will review and sign off on monthly reconciliations. All petty cash expenditure must be entered into the financial system once reconciled.</p>
<p>Delegation 4.3 Panel of Pre-Qualified Suppliers For Goods and Services. 1. Authority to determine that there is a continuing need for the goods or services proposed to be provided by a panel of pre-qualified suppliers [F&G r.24AC(1)(b)]. 2. Authority to, before inviting submissions, determine the written criteria for deciding which application should be for inclusion in a panel of pre-qualified suppliers should be accepted [F&G r.24AD(3)]. 3.. Authority to vary panel of pre-qualified supplier information after public notice inviting submissions has been given, taking reasonable steps to each person who has enquired or submitted an application is provided notice of the variation [F&G r.24AD(6)]. 4. Authority to reject an application without considering its merits, where it was submitted at a place and within the time specified, but fails to comply with any other requirement specified in the invitation [F&G r.24AH(2)].</p>		<p>Reconciling Petty Cash The petty cash float is to be reconciled monthly. This is the responsibility of the Petty Cash Custodian. The Manager Corporate & Community Services will review and sign off on monthly reconciliations. All petty cash expenditure must be entered into the financial system once reconciled. Petty Cash Float Reimbursement of the petty cash float will be authorised by the Manager Corporate & Community Services. The balance of monies and vouchers must equal the petty cash float before reimbursement. The Shire has the following two petty cash floats: Policy Manual 93 P a g e 1. Shire Administration Office for \$200; and 2. Dowerin Home Care for \$300. The petty cash float shall be locked in the safe in the related buildings. Forms Used 1. Petty cash voucher book receipt 2. Petty cash reconciliation voucher 3. Accounts payable reimbursement voucher Roles and Responsibilities Accounts Finance Officer - Petty Cash Custodian for the Shire Administration Office. Dowerin Home Care Coordinator - Petty Cash Custodian for the Dowerin Home Care. Manager Corporate & Community Policy to be updated to reflect deletion of petty cash float to Dowerin Home Care \$300 also noted that floats to Swimming Pool \$200 and Gentle Gym \$50 the Shire's financial records to be updated</p>

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		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchase, Creditors and Cash Payments - Existence / Occurrence 1.1

131-250 1.1

Smart Review	0	Unanswered Questions	0
<p>5. Authority to assess applications, by written evaluation of the extent to which the submission satisfies the criteria for deciding which applicants to accept, and decide which applications to accept as most advantageous [F&G r.24AH(3)]. 6. Authority to request clarification of information provided in a submission by an applicant [F&G r.24AH(4)]. 7. Authority to decline to accept any application [F&G r.24AH(5)]. 8. Authority to enter into contract, or contracts, for the supply of goods or services with a pre-qualified supplier, as part of a panel of pre-qualified suppliers for those particular goods or services [F&G r.24AJ(1)]. Council Conditions on this Delegation: a. In accordance with s.5.43, panels of pre-qualified suppliers may only be established, where the total consideration under the resulting contract is \$150,000 or less Delegation to CEO, M CCS and MAW</p>		<p>Policy 3.10 - Corporate Credit Card Policy, Authorised Use and Limits Shire of Dowerin Corporate Credit Cards are to be used only in Council business when no other standard purchasing options apply. Under this Policy, a Corporate Credit Card will be provided to the Chief Executive Officer (CEO) and may be issued to the following Senior Employees if advised by the CEO: 1. Manager Corporate & Community Services; and 2. Manager Works & Assets. The overall limit of the Shire's corporate credit card facility shall not exceed \$20,000.</p>	
<p>Delegation 4.4 Application of Regional Price Preference Policy Authority to decide when not to apply the regional price preference policy to a particular future tender [F&G r.24G]. Delegation to CEO, M CCS and MAW</p>		<p>Policy 3.11-Purchasing Policy (1) Supplier Order of Priority The Shire will consider and apply, where applicable, the following Supplier Order of Priority: Priority 1: Existing Prequalified Supplier Panel or other Contract Current contracts, including a Panel of Prequalified Suppliers or contracted supplier, must be used where the Shire's supply requirements can be met through the existing contract. If the Shire does not have a current contract relevant to the required supply, then a relevant WALGA Preferred Supplier Arrangement (PSA) is to be used. Priority 2: Local Suppliers Where the Purchasing Value does not exceed the tender threshold and a relevant local supplier is capable of providing the required supply, the Shire will ensure that wherever possible quotations are obtained from local suppliers permanently located within the District as a first priority, and those permanently located within surrounding Districts as the second priority. If no relevant local supplier is available, then a relevant WALGA PSA may be used.</p>	

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Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1

31-250 1.1

Smart Review	0	Unanswered Questions	0
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<p>Delegation 5.1 Payment from Municipal and Trust Manager Works & Assets CEO Conditions on this Sub-Delegation: 1. Delegates must comply with the Procedures approved by the CEO in accordance with Financial Management Regulation 5. 2. Payments by cheque and EFT transactions must be approved jointly by two Authorised Officers, one of whom must have Delegated Authority (CEO, Manager Corporate & Community Services or Manager Works & Assets). 3. The verification of incurring the liability via the purchase order, invoice and evidence of goods/service received must be approved jointly by two Authorised Officers, one of whom must have Delegated Authority (CEO, Manager Corporate & Community Services or Manager Works & Assets). 4. Conditions on</p>		<p>Priority 3: Tender Exempt - WALGA Preferred Supplier Arrangement (PSA) Use a relevant WALGA PSA regardless of whether or not the Purchasing Value will exceed the tender threshold. However, if a relevant PSA exists but an alternative supplier is considered to provide best value, then the CEO, or an officer authorised by the CEO, must approve the alternative supplier. Reasons for not using a PSA may include: Policy Manual 101 Page i. Local supplier availability (that are not within the PSA); or, ii. Social procurement – preference to use Aboriginal business or Disability Enterprise. If no relevant WALGA PSA is available, then a relevant State Government Common Use Agreement (CUA) may be used. Priority 4: Tender Exempt - WA State Government Common Use Arrangement (CUA) Use a relevant CUA regardless of whether or not the Purchasing Value will exceed the tender threshold. However, if a relevant CUA exists, but an alternative supplier is considered to provide best value for money, then the proposed alternative supplier must be approved by the CEO, or an officer authorised by the CEO. If no relevant CUA is available, then a Tender Exempt [F&G Reg.11(2)] arrangement may be used.</p>	
		<p>Priority 5: Other Tender Exempt arrangement [F&G Reg. 11(2)] Regardless of whether or not the Purchasing Value will exceed the tender threshold, the Shire will investigate and seek quotations from tender exempt suppliers and will specifically ensure that wherever possible quotations are obtained from a WA Disability Enterprise and / or an Aboriginal Owned Business that is capable of providing the required supply. Priority 6: Other Suppliers Where there is no relevant existing contract or tender exempt arrangement available, purchasing activity from any other supplier is to be in accordance with relevant Purchasing Value Threshold and Purchasing Practice specified</p>	

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Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1

31-250 1.1

Smart Review	0	Unanswered Questions	0
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		<p>practice to be applied to the Shire's purchasing activities. Purchase Value Threshold (ex GST) Purchasing Practice Up to \$5,000 (ex GST) Obtain at least one (1) verbal or written quotation from a suitable supplier in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1). The purchasing decision is to be evidenced in accordance with the Shire's Record Keeping Plan. From \$5,001 and up to \$20,000 (ex GST) Seek at least three (3) verbal or written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1). If purchasing from a WALGA PSA, CUA or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained. The purchasing decision is to be based upon assessment of the suppliers response to: • a brief outline of the specified requirement for the goods; services or works required; and • Value for Money criteria, not necessarily the lowest price. Policy Manual 102 Page Purchase Value Threshold (ex GST) Purchasing Practice The purchasing decision is to be evidenced using the Brief Evaluation Report Template retained in accordance with the Shire's Record Keeping Plan.</p>	
		<p>From \$20,001 and up to \$50,000 (ex GST) Seek at least three (3) written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1) except if purchasing from a WALGA PSA, CUA or other tender exempt arrangement, where a minimum of one (1) written quotation is to be obtained. The purchasing decision is to be based upon assessment of the suppliers' responses to: • a brief outline of the specified requirement for the goods; services or works required; and • Value for Money criteria, not necessarily the lowest quote. The purchasing decision is to be evidenced using the Brief Evaluation Report Template retained in accordance with the Shire's Record Keeping Plan. From \$50,001 and up to \$250,000 (ex GST) Seek at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1). The purchasing decision is to be based upon assessment of the suppliers response to: • a detailed written specification for the goods, services or works required; and • pre-determined selection criteria that assesses all best and sustainable value considerations. The procurement decision is to be evidenced using the Evaluation Report template retained in accordance with the Shire's Record Keeping Plan.</p>	

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Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form		T31-250 1.1
Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1		

Smart Review	0	Unanswered Questions	0
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		<p>Over \$250,000 (ex GST) Tender Exempt arrangements (i.e. WALGA PSA, CUA or other tender exemption under F&G Reg.11(2)) require at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1). OR Public Tender undertaken in accordance with the Local Government Act 1995 and relevant Shire Policy and procedures. The Tender Exempt or Public Tender purchasing decision is to be based on the suppliers response to: • A detailed specification; and • Pre-determined selection criteria that assesses all best and sustainable value considerations. The purchasing decision is to be evidenced using the Evaluation Report template retained in accordance with the Shire's Record Keeping Plan. Emergency Purchases Where goods or services are required for an emergency response and are within scope of an established Panel of Pre-qualified Supplier or existing</p>	
		<p>(3) Authorised Officer Limits Position Amount Chief Executive Officer Unlimited Manager Works & Assets \$50,000 Manager Corporate & Community Services \$50,000 Executive & Governance Officer \$5,000 1.3.3 Waiver of Quotation Where quotes are not practical, e.g. due to limited suppliers, the Chief Executive Officer or Manager may, at their discretion, waive the requirements to obtain quotes providing that written, justifiable reasons for</p>	
		<p>Policy 3.15 Regional Price Preference Policy . Some or all of the goods or services are to be supplied from regional sources." The Shire of Dowerin recognises the following two regions for price preferences: Region 1- defined as a business or industry located within the district of the Shire of Dowerin; and Region 2 – defined as a business or industry located within the districts of the Shire of Cunderdin, Shire of Goomalling, Shire of Koorda, Shire of Wongan-Ballidu and Shire of Wyalkatchem. The Regional Price Preference to be given to either a Region 1 or Region 2 provider are outlined below and represents the amount at which the provider's price bids or quotations would be reduced for the purpose of assessing Tenders or quotations. Region 1: A price preference may be given to a Tenderer or supplier of a quotation from Region 1 by assessing the Tender or quote from that local business as if the price bids were reduced as follows</p>	

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Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto Checklist](#)

Internal Control Evaluation Form				IS1-250 1.1
Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1				
Smart Review	0	Unanswered Questions		0
			1. 10% - where the contract is for goods or services, up to a maximum price reduction of \$50,000; Policy Manual 116 Page 2. 5% - where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or 3. 10% - where the contract is for goods or services (including construction (building) services), up to a maximum price reduction of \$500,000, if the local government is seeking Tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the local government. Region 2: A price preference may be given to a Tenderer or supplier of a quotation from Region 2 by assessing the Tender or quote from that local business as if the price bids were reduced as follows: 1. 5% - where the contract is for goods or services, up to a maximum price reduction of \$25,000; 2. 2.5% - where the contract is for construction (building) services, up to a maximum price reduction of \$25,000; or 3. 5% - where the contract is for goods or services (including construction (building) services), up to a maximum price reduction of \$250,000, if the local government is seeking Tenders for the provision of those goods or services for the first time, due to	
			Policy 3.17 Contact Variations Policy Sample test of Vouchers for the months of Nov 2021, Jan 2022, Feb 2022, March 2022, Aug 2022 and Oct 2022 Total 31 sample tested 3%	
			BAS statements checked as to lodgement lodged on time from Nov 2021 to June 2022 For July to September 2022 BAS worksheets sighted BAS's lodged not sighted	
			Synergy Creditors Procedure Manual is utilised	
Sample check of signatories for cheques and EFT's in accordance with delegation				
Weaknesses		Impact on procedure		WIP
Delegations and Policies Update		Delegation 4.2 Tenders for Goods and Services consideration under contract can be increased from less than \$150,000 to \$250,000 in accordance with Regulation 11A of the Local Government (Functions and General) Regulations 1996 and Policy 3.9 - Petty Cash be amended by the deletion of \$300 float to Dowerin Home which was receipted back in the 2021-22 financial year, it is also noted that cash floats provided to the Swimming Pool \$200 and Gentle Gym Program \$50 are not recorded in the Shire's financial records		
Lodgement of BAS's		July to September BAS'S not sighted and may have not met the lodgement requirements set by ATO		
Incorrect calculation		EFT 9328 GST posted \$5.64 should be \$5.16, EFT 9578 Invoice 378042 treated as GST Free Invoice stated GST as \$8.05		

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Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Existence / Occurrence 1.1

T31-250 1.1

Smart Review	0	Unanswered Questions	0
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Has the control objective been met? **Y**

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Receiving records are made of all goods received.	✓	N
(c) Deliveries are checked, and claims are made for short shipments, etc.	✓	Y
(d) All invoices and receiving records are directed to accounts payable, rather than purchasing.	✓	Y
(e) Invoices are checked against purchase orders and receiving records.	✓	Y
(f) Documentation is properly cancelled to avoid re-submission.	✓	Y
(g) All documents which are not matched are investigated on a regular basis.	✓	Y
(h) Only properly supported suppliers' invoices are processed.	✓	Y
(i) Supervision is effective.	✓	Y

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Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

Internal Control Evaluation Form			
Purchase, Creditors and Cash Payments - Existence / Occurrence 1.2			T31-250 1.2
Smart Review	0	Unanswered Questions	0

Audit assertion: **1. Existence / Occurrence**
 Control objective: **1.2 All payments made are adequately supported.**

Key Controls	Control Risk	Planned Reliance	Notes	WIP
Sample Check 31 vouchers			Creditors Batch transaction listing are printed, filed and checked to invoices to be paid by Finance Admin Officer (Creditors/Debtors) but not reviewed by an alternative officer for EFT payments	
			Creditors Aged Trail Balance is printed and checked to the Creditors GL Control Account on a monthly basis and signed by Finance Admin Officer and reviewed by MCCC/DCEO	
			Internal Fund Transfer to be initiated in accordance with policy 3.6 - Bank Account Policy Bank Account Authorisation of Transactions. All payments of monies from or transfers between, any Shire bank accounts whether by cheque, EFT or other online payment method, must be pre-approved by two authorising officers. The designated authorised positions for bank account payments are: 1. Chief Executive Officer; 2. Manager of Corporate & Community Services; 3. Manager Assets & Works; and 4. Finance Officer. Each payment made must be supported by invoice, receipt or other appropriate	
			Reimbursement Request by the supply of original documentation by the completion of Claim For Reimbursements Form signed by officer requesting reimbursement and Authorising Officer	
			Electronic PO are raised for supplies and services utilising the ALTUS system for the issue of PO's and recording of quotes obtained in accordance with the purchasing policy 3.11	
			Statements received from creditors are reconciled monthly	
			Invoices are stamped with certification stamp and checked for goods and services received, price and to PO, Invoice is referenced to PO attached to Invoice, GST, Creditor No and Initialled for authorisation for payment, the Admin/Finance Officer (Creditors/Debtors) enters invoices in synergy Remittance Advice attached to Invoices for payment	
Weaknesses			Impact on procedures	WIP

Has the control objective been met? **Y**

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Discounts are taken.	✓	N
(c) Invoices are only paid when validating is complete.	✓	Y
(d) Extensions, additions, discounts, taxes, etc are checked.	✓	Y
(e) Correct coding is used for posting to general ledger.	✓	Y
(f) Cheque requisition forms are used and properly authorised.	✓	Y
(g) Authorised bank signatories are appropriate, ie independent from purchasing, receiving and accounts payable.	✓	Y
(h) Documentation is properly cancelled to avoid re-submission.	✓	Y
(i) A trial balance is prepared on a monthly basis.	✓	Y
(j) Bank reconciliations are prepared regularly.	✓	Y
(k) Reconciliations are approved by a responsible person.	✓	Y
(l) Pre-numbered cheques are used and continuity is checked. Controls are in place to account for unused cheques.	✓	Y
(m) Bank transfers are controlled.	✓	Y
(n) No bearer or "cash" cheques are permitted.	✓	Y
(o) Effective supervision exists.	✓	Y

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Client Details					
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Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Purchases, Creditors and Cash Payments - Completeness / Classification			
§31-270			
Smart Review	0	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.1 All purchases of goods or services made in the accounting period are recorded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Sample check of invoices conducted for payments made in November 2021, January 2022, February 2022, March 2022, August 2022 and October 2022, total of 31 vouchers checked	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
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Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) All unmatched documents are followed up and investigated.	✓	Y
(c) All documents are promptly and correctly processed.	✓	Y
(d) Suppliers' statements are reconciled on a regular basis.	✓	Y
(e) There are appropriate period-end procedures to detect and account for unprocessed invoices, receiving records etc.	✓	Y
(f) Subsidiary ledgers are regularly reconciled with control accounts.	✓	Y
(g) Goods delivered directly to customers are controlled promptly.	✓	X
(h) Supervision is effective.	✓	Y

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Client Code		Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022
		Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Ownership / Proprietary 3.1

T31-300 3.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 All goods or services acquired are properly authorised.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Invoices are certified by responsible officers	
			Purchase Orders in almost all instances are issued and attached to the invoices to be processed for payment	
Weaknesses			Impact on procedures	W/P
Has the control objective been met?				Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) All purchase requisitions, purchase orders, and cheque requisitions are approved.	✓	Y
(c) Expenditure is maintained against authorised budget.	✓	Y
(d) Supervision is effective.	✓	Y

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Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Purchases, Creditors and Cash Payments - Ownership / Proprietary 3.2			¶31-300 3.2
Smart Review	0	Unanswered Questions	0

Audit assertion: 3. Ownership / Proprietary
Control objective: 3.2 All claims made on suppliers are properly recorded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Weaknesses		Impact on procedures		W/P
Has the control objective been met?				Y
Control Conditions			Status	Answer
(a) Sequentially numbered goods returned notes are issued.			✓	X
(b) Unmatched documents are regularly investigated.			✓	Y
(c) Supervision is effective.			✓	Y

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Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Valuation / Measurement

¶31-330

Smart Review	0	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement

Control objective: 4.1 Amounts are correctly recorded and posted to correct accounts.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Sample check of posting conducted for Nov21,Jan 2022, Feb 2022, March 2022, Aug 2022 and Oct 2022	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
--	---

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Amounts are recorded in the purchases journal and cash payments journal.	✓	Y
(c) Journals are properly dissected and posted to the general ledger and subsidiary ledger.	✓	Y
(d) Stock records are properly updated for purchases of inventory.	✓	Y
(e) Supervision is effective.	✓	Y

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Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Purchases, Creditors and Cash Payments - Cut-Off

¶31-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: 5. Cut-Off

Control objective: 5.1 Transactions are recorded in the correct accounting period.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Sample check undertaken to verify invoices posted in the correct accounting period	
			Monthly analysis is undertaken when financial statements are prepared and reviewed	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) The creditors listing is supported by goods received records.	✓	N
(b) Unprocessed invoices are reviewed at year end.	✓	Y
(c) Open orders are reviewed.	✓	X
(d) Variances from the budget are analysed.	✓	Y

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Existence / Occurrence 1.1

32-250 1.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: **1. Existence / Occurrence**
 Control objective: 1.1 Assets are adequately safeguarded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Policy 4.7 Asset Management Policy			All keys for buildings and facilities kept in lockable cabinet a key register is maintained by the responsible officer BMO and WAO	
Policy 4.8 Replacement of Plant and Vehicle Policy			Accessibility to the depot is restricted during working hours. Gates locked at end of day	
Reg 17B of the Financial Management Regulations 1996 requires a local government to take all reasonable steps to protect assets from theft or loss			No Security System installed for the office area of the Depot and Admin Centre	
Reg 17A(5) A non-financial asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5 000			Condition Report for buildings and other structures are undertaken internally by BMO and WAO on an annual basis residential buildings quarterly and on vacating	
			Insurance policies reviewed annually	
Reg 17A of the Financial Management Regulations 1996 requires a local government (4) A local government must revalue a non-financial asset of the local government referred to in subregulation (2)(a) — (a) whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and (b) in any event, within a period of no more than 5 years after the day on which the asset was last valued or revalued.				
Weaknesses			Impact on procedures	W/P

Has the control objective been met? **Y**

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Unauthorised movements of assets and access to plant are restricted.	✓	Y
(c) There are adequate physical safeguards against fire, theft etc.	✓	Y
(d) Regular physical inspections are carried out and agree to assets registers.	✓	Y
(e) Insurance covers are adequate and regularly reviewed.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Existence / Occurrence 1.2

32-250 1.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.1 All assets recorded are adequately supported.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Asset register is updated at year end except for 2 items of plant one in Sept 21 and the other in Oct 21 based on postings to the GL and related source documents	
			Valuations of Assets undertaken on a 5 yearly rotational basis in 2022 the following assets were revalued waste water /sewer, parks and ovals and other	
Weaknesses		Impact on procedures		W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) There is a written record of receipt of assets.	✓	Y
(c) Adequate inspection occurs upon delivery.	✓	Y
(d) All invoices and receipt documents are directly forwarded to accounts payable.	✓	Y
(e) Documents are cancelled to prevent re-submission.	✓	Y
(f) Only properly supported suppliers' invoices are processed.	✓	Y
(g) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Completeness / Classification 2.1

132-270 2.1

Smart Review	0	Unanswered Questions	0
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Audit assertion:

2. Completeness / Classification

Control objective:

2.1 All purchases of assets made in the accounting period are recorded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			For all assets in GL at the time of acquisition, in Asset Register for plant and equipment at time of acquisition all other asset classes at year end	
Weaknesses			Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) There is a regular investigation of unmatched documents.	✓	Y
(c) All documents are promptly and correctly processed.	✓	Y
(d) There are controls to ensure that unprocessed invoices and related documentation at year end are detected.	✓	Y
(e) Control accounts are regularly reconciled with subsidiary ledgers.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Property, Plant and Equipment - Completeness / Classification 2.2			132-270 2.2
Smart Review	0	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.2 All sales, transfers, losses and write-offs of assets made in the period are recorded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Shire utilises Synergy and RAMMs Software Systems to record its fixed assets	
			Asset Register updated Quarterly along with associated excel spreadsheets	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
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Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Unauthorised movement of assets and access to plant is prevented.	✓	Y
(c) There is adequate physical safeguards against fire, theft etc.	✓	Y
(d) There are regular physical inspections carried out and agree to assets registers. Any adjustments are authorised.	✓	Y
(e) Assets registers are regularly reconciled with control accounts.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Property, Plant and Equipment - Completeness / Classification 2.3			¶32-270 2.3
Smart Review	0	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.3 All property, plant and equipment acquired properly recorded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Creditors invoices are processed fortnightly and assets are recorded at time of acquisition	
			Eft.s and direct debits are promptly recorded and reconciled	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
	Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Satisfactory mail opening procedures are in place, ie two people present, cheques restrictively crossed/stamped for "deposit only", remittances recorded for checking to subsequent deposits.	✓	Y
(c) Amounts received through the mail are handed promptly to the cashier.	✓	Y
(d) Cash sales including the use of pre-numbered cash sale documents are satisfactorily controlled.	✓	Y
(e) There are satisfactory controls over amounts received at branches and other outside locations.	✓	Y
(f) All receipts are sequentially pre-numbered and adequately accounted for.	✓	Y
(g) Unexpected cash counts are conducted.	✓	X
(h) All amounts received are deposited intact and promptly.	✓	Y
(i) Daily deposit totals, debtors postings and cash sales are reconciled.	✓	Y
(j) Bank reconciliations are regularly prepared and independently checked.	✓	Y
(k) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Ownership / Proprietary 3.1

¶32-300 3.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 All purchases of assets are authorised.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Policy3.11 - Purchasing Policy	
			Policy 3.15 Regional Price Preference Policy	
Sample check of invoices for certification stamp				
Weaknesses			Impact on procedures	W/P
Has the control objective been met?				Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Purchase requisitions and purchase orders are properly authorised.	✓	Y
(c) Expenditure is monitored against budget and variations analysed and approved.	✓	Y
(d) Supervision is effective.	✓	Y

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Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Ownership / Proprietary 3.2

132-300 3.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.2 All disposals of assets are authorised.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			As detailed in Annual Budget or with Council approval, M CCS/DCEO updates Fixed Asset Register	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
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Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Documentation evidencing the ownership of assets is stored in a safe place and unauthorised access to such documents is prevented.	✓	Y
(c) Assets held by third parties are properly controlled.	✓	X
(d) All sales, transfers and write-offs must be documented and properly authorised.	✓	Y
(e) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Valuation / Measurement

¶32-330

Smart Review	0	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement

Control objective: 4.1 Amounts recorded are correct and posted to correct accounts.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Capitalisation threshold is \$5000 in accordance with Reg 17A(5) of the Financial Management Regulations 1996	
			Sample check of Creditor Batch Transaction listing for amounts recorded and GL accounts	
			Fixed Asset Register is update quarterly	
Fixed Asset Register Summary and associated excel worksheets checked as at 30/04/2022			Revaluations are undertaken in accordance with Regulation 17A(4)(b) every 5 years from the last revaluation	
Weaknesses		Impact on procedures		W/P
Has the control objective been met?				Y

Control Conditions	Status	Answer
(a) A detailed asset register is maintained.	✓	Y
(b) There are formal written policies and instructions regarding capitalisation of assets.	✓	Y
(c) Any revaluations are approved and supported by documentary evidence.	✓	Y
(d) Depreciation policies are consistent and properly approved.	✓	Y
(e) Postings to accounts, including revaluation adjustments if any, are reviewed and approved.	✓	Y
(f) The useful lives of assets are regularly appraised and any necessary adjustments approved.	✓	Y
(g) Depreciation calculations are checked.	✓	Y
(h) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Property, Plant and Equipment - Cut-Off

132-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: 5. Cut-Off

Control objective: 5.1 Transactions are recorded in the correct accounting period.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Refer to 31-350			Creditors are paid promptly and transaction recorded in the correct accounting period	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Unprocessed invoices and other supporting documentation are reviewed at year end.	✓	Y
(b) Variances from budget are analysed and approved.	✓	Y
(c) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Existence / Occurrence 1.1

33-250 1.1

Smart Review	1	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.1 Stocks and work-in-progress are adequately safeguarded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Policy 3.11 - Purchasing Policy			B Smart electronic software system is utilised to record the issue of diesel fuel form March 2021 At the end of month M CCS prints out report from B Smart for diesel fuel issued to plant .Fuel issues and entered into Synergy Store module for each item of plant Fuel purchases are entered in the Store module for quantity and cost Stores module calculates an average price which is used to cost the fuel issued to plant B Smart monthly reports sighted for the period Nov 2021 to June 2022 comprising of fuel issues readings from online fuel system, Diesel Fuel in litres, For unleaded Fuel Card System is used from local supplier Stock on hand represents Diesel	

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Client Details

Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Existence / Occurrence 1.1

T33-250 1.1

Smart Review	1	Unanswered Questions	0
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Audit assertion: **1. Existence / Occurrence**

Control objective: **1.1 Stocks and work-in-progress are adequately safeguarded.**

Key Controls	Control Risk	Planned Reliance	Notes	W/P
<p>Policy 4.1 - Fuel Stock Policy Receiving Fuel Stock When fuel stock is received from the supplier, it is the AWM or Leading Hand's responsibility to:</p> <ol style="list-style-type: none"> 1. Review delivered items to delivery docket, including quantity, quality and completeness of order; 2. Match delivery docket to purchase order; 3. Store the fuel stock securely and in allocated area; 4. Update all fuel stock records for receipt of goods; and 5. Inform or AWM or FCSM of any under/over-supply of fuel stock. <p>Managing Stock It is the AWM's responsibility to:</p> <ol style="list-style-type: none"> 1. Identify fuel stock and ensure that appropriate levels are held at all times; 2. Monitor all fuel stock levels and stock turns; <p>Policy Manual 122 Page</p> <ol style="list-style-type: none"> 3. Regularly review sales budgets and ensure that fuel stock is ordered in line with budgets; 4. Monitor re-order levels and ensure orders are placed in adequate time to reduce non availability of fuel stock; 5. Ensure that all staff are aware of new supplier, price changes and procedures for accurate recording of all fuel stock movements; 6. Ensure that there are adequate controls (physical and administrative) in place to minimise theft and/or waste of all stock items; and 7. Organise and oversee physical stock take twice a year and match records of stock take to administrative and financial records. 			<p>All fuel purchased for Diesel is recorded to into stock and allocated to plant on a monthly basis via general journal calculation is based on Diesel Fuel Allocation Quantities x the average price as calculated by Synergy Stores Module. For unleaded fuel dockets are posted direct to plant or expensed a Stock Issue Batch Transaction Listing is printed ,checked and posted in Synergy A GL Impact Statement is printed and all reports and supporting documentation is filed in Fuel Stock Receipts and Issues File</p>	
			<p>The Shire maintains fuel bowsers and issues are electronically down loaded from online fuel system The system provides stock readings electronically</p>	

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Client Details

Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Existence / Occurrence 1.1

33-250 1.1

Smart Review	1	Unanswered Questions	0
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Audit assertion: **1. Existence / Occurrence**
Control objective: 1.1 Stocks and work-in-progress are adequately safeguarded.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			No physical stock readings are required or undertaken, stock readings in B Smart software are reconciled to Stores Ledger and to GL control	
			Synergy Sock procedures utilised	
			It is noted that diesel fuel stock adjustment as at 30 June 2022 amounted to \$24,530.23 due to a different unit price being used to calculate the issues rather than the unit price calculated by synergy	

Weaknesses	Impact on procedures	W/P
Fuel Allocations not sighted for July- October 2022	Overstatement of of stock on hand and understating of expenditure in GL accounts	
Policy 4.1 - Fuel Stock Policy	To be reviewed to reflect current procedures and use of electronic fuel issue system	
Segregation of duties	No evidence sighted that fuel issue calculations were reviewed by another responsible officer	

Has the control objective been met? **N**

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Unauthorised access is restricted. Valuable items are properly secured. There is a responsible storekeeper.	✓	Y
(c) There is adequate protection against fire and deterioration.	✓	Y
(d) Insurance cover is adequate and regularly reviewed.	✓	Y
(e) Items received into stock are properly controlled.	✓	Y
(f) Stock usage and transfers are properly controlled.	✓	Y
(g) Stocks held by third parties are properly controlled.	✓	X
(h) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Existence / Occurrence 1.2

¶33-250 1.2

Smart Review	1	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.2 All recorded stocks are supported by actual holdings.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			employees are provided with fuel card for unleaded fuel , For diesel fuel issues employees are provided with a smart phone app and unique log on BSMART , records issues electronically and are down loaded from software on a monthly and entered into Synergy Stores Module ,the suppliers invoices posted via Accounts Payable Module and an allocation journal is produced for posting in Synergy,MCCS/DCEO is responsible of the down loading of information from BSMART into EXCEL worksheet , reconciliation and posting to stores module and GL	
			Fuel stock readings can be obtained at any time via BMART system no manual dip stick readings required and reconciled to GL monthly	
Weaknesses		Impact on procedures		W/P
Discrepancy in value of fuel on hand		resulting from the wrong fuel price used		

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Independent regular stock counts are performed.	✓	Y
(c) There are adequate stock take instructions issued.	✓	Y
(d) Results of stock counts are independently reviewed, differences are investigated and adjustments approved.	✓	Y
(e) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Inventories and Cost of Sales - Completeness / Classification			¶33-270
Smart Review	1	Unanswered Questions	0

Audit assertion: 2. Completeness / Classification
Control objective: 2.1 All transactions are accurately recorded in the stock records and posted to the correct accounts.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Fuel issues and purchases are properly recorded	
			Reconciliation undertaken as at 30 June 2022	
Weaknesses		Impact on procedures		W/P
Non recording of fuel allocations		Fuel allocation for the months July - October 2022 not sighted which may have resulted in the Monthly Financial Statements stating a high stock on hand value and less expenditure		
Segregation of Duties		No evidence sighted that fuel issue calculations were reviewed by another responsible office		
Has the control objective been met?				N

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Authorised documentation is used to update perpetual stock records.	✓	Y
(c) Posting summaries reflect all valid stock movements.	✓	Y
(d) Posting summaries are checked, authorised and posted correctly to the general ledger.	✓	N
(e) Stock in transit is properly controlled.	✓	X
(f) Supervision is effective.	✓	N

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Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#) [Goto CheckList](#)

Internal Control Evaluation Form			
Inventories and Cost of Sales - Ownership / Proprietary			¶33-300
Smart Review	0	Unanswered Questions	0

Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 All stock included in inventories or sold is owned by the client.

Key Controls	Control Risk	Planned Reliance	Notes	W/P

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
-------------------------------------	---

Control Conditions	Status	Answer
(a) There are adequate cut-off procedures.	✓	Y
(b) Stocks on consignment to the client are properly identified and excluded from clients' own stocks.	✓	X
(c) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Valuation / Measurement 4.1

T33-330 4.1

Smart Review	1	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement
Control objective: 4.1 Stocks are properly and accurately costed.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Diesel unit price utilised not the average price calculated by Synergy requiring an adjustment as at 30 June 2022 of \$24,530.23	

Weaknesses	Impact on procedures	W/P
Incorrect calculation of monthly fuel allocation	Under allocation of fuel stocks resulting in over statement of Surplus at month end	

Has the control objective been met? N

Control Conditions	Status	Answer
(a) Finished goods are reconciled with purchases records and production records.	✓	X
(b) Stock costing summaries are prepared, checked and approved.	✓	Y
(c) Clerical procedures in relation to the preparation of inventory sheets are independently checked.	✓	Y
(d) Inventory sheets are properly approved.	✓	N
(e) The totals of inventory sheets are agreed with control accounts in the general ledger.	✓	Y
(f) Any differences between totals of inventory sheets and control accounts are investigated and any adjustments approved.	✓	Y
(g) The carrying amounts of inventory items are regularly reviewed.	✓	Y
(h) There is a correct and consistent basis for charging to production the cost of all inventory issues, requisitions and returns.	✓	N
(i) Labour and overheads are charged on a reasonable and consistent basis to work in progress.	✓	X
(j) Where standard costs are used:		
(i) they are reconciled with actual costs, and variances analysed	✓	X
(ii) they are regularly reviewed	✓	X
(iii) changes must be properly approved	✓	X
(k) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Valuation / Measurement 4.2

¶33-330 4.2

Smart Review	1	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement

Control objective: 4.2 Provisions are made where necessary to prevent over-valuation of inventories.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			The value for fuel on hand is calculated based on the average price calculated by Synergy Stores Module times the quantity on hand	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Controls are in existence to ensure that damaged, obsolete, and slow-moving inventory items are identified.	✓	X
(b) Work-in-progress expenditure is regularly reviewed for reasonableness.	✓	X
(c) Controls are in existence to ensure that necessary provisions are:	✓	Y
(i) made	✓	Y
(ii) independently checked	✓	Y
(iii) authorised	✓	Y

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Inventories and Cost of Sales - Cut-Off

¶33-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: **5. Cut-Off**
Control objective: 5.1 All stocks purchased and/or sold are recorded in the correct accounting period.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Purchases and Issues and adjustments to stock on hand are expensed in the same financial year	
			Stock reconciliation undertaken in June 2022 and adjustments made	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
Refer to Sales, debtors and cash receipts (¶30-250 and following) and Purchases, creditors and cash payments (¶31-250 and following), general internal control evaluations	✓	Y

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Client Details				
Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Existence / Occurrence 1.1

34-250 1.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.1 Recorded cash funds exist.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
<p>Policy 3.9 Petty Cash Policy Issuing Petty Cash A petty cash voucher receipt must be completed before any cash is paid out of the petty cash float.</p> <p>All petty cash voucher receipts must be approved for payment by either the Manager Corporate & Community Services, Dowerin Home Care Coordinator, Chief Executive Officer or Manager Assets & Works.</p> <p>All petty cash vouchers must be supported by a supplier invoice or receipt to justify the expenditure.</p> <p>All completed vouchers must have the following details included:</p> <ol style="list-style-type: none"> 1. Issue date of voucher; 2. Name of person issued the voucher; 3. Amount of monies disbursed; 4. Details of expense; 5. Invoice or receipt; and 6. Signature of approval person. <p>Reconciling Petty Cash The petty cash float is to be reconciled monthly. This is the responsibility of the Petty Cash Custodian. The Manager Corporate & Community Services will review and sign off on monthly reconciliations.</p> <p>All petty cash expenditure must be entered into the financial system once reconciled.</p> <p>Petty Cash Float Reimbursement of the petty cash float will be authorised by the Manager Corporate & Community Services. The balance of monies and vouchers must equal the petty cash float before reimbursement.</p>			<p>Finance Admin Officer is responsible for petty cash advances to staff at the Administration Centre.</p>	

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Client Details

Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Existence / Occurrence 1.1

¶34-250 1.1

Smart Review	0	Unanswered Questions	0
The Shire has the following two petty cash floats: Policy Manual 93 P a g e 1. Shire Administration Office for \$200; and 2. Dowerin Home Care for \$300. The petty cash float shall be locked in the safe in the related building		Petty Cash Float- \$200 Cash count conducted cash held was \$56.10 and receipts of \$143.90	
		Cash Till Float- Office \$200 Swimming Pool \$200 and Gentle Gym \$50	
		Cash takings are stored in locked cash boxes and held in the safe, Swimming Pool takings are held by Swimming Pool Consultant and are receipted weekly, Gentle Gym takings are held by assistant coordinator and receipted monthly	
		Checked floats agree, don't agree to the GL insofar that the floats for the swimming pool \$200 and gentle gym \$50 have not been recorded	

Weaknesses	Impact on procedures	W/P
Policy 3.9 Petty Cash Policy to be reviewed	By the deletion of float to Dowerin Home Care and the insertion of floats to Swimming Pool \$200 and Gentle Gym \$50	
Synergy Financial to be updated	To include floats to the Swimming Pool \$200 and Gentle Gym \$50	

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Access to funds is restricted - funds held in secure locations.	✓	Y
(c) Authorisation is required for creation of new funds.	✓	Y
(d) An imprest system is used.	✓	Y
(e) Surprise counts are conducted.	✓	N
(f) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Existence / Occurrence 1.2

T34-250 1.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.2 Recorded bank accounts exist.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Policy 3.6 Bank Account Policy Opening Bank Accounts Any new bank accounts to be opened for the Shire must have the authorisation of the Chief Executive Officer and Manager Corporate & Community Services. For each new bank account opened, the Shire of Dowerin's financial system must be updated and the bank account registered by the Manager Corporate & Community Services. Bank Account Authorisation of Transactions All payments of monies from or transfers between, any Shire bank accounts whether by cheque, EFT or other online payment method, must be pre-approved by two authorising officers.			As at 31 October 2022 the following bank accounts are recorded Bank- NAB Muni Fund Cheque A/c, Cash Maximiser and LRCIP PHASE 2 FUNDING , Term Deposit 7096589 Bank -Westpac Term Deposit 279675 and Bank - Bendigo	

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Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Existence / Occurrence 1.2

34-250 1.2

Smart Review	0	Unanswered Questions	0
<p>The designated authorised positions for bank account payments are:</p> <ol style="list-style-type: none"> 1. Chief Executive Officer; 2. Manager of Corporate & Community Services; 3. Manager Assets & Works; and 4. Finance Officer. <p>Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.</p> <p>Variations to Bank Account Terms and Conditions Any variations to banking arrangements can only be made or varied by the Chief Executive Officer and Manager Corporate & Community Services.</p> <p>Shire of Dowerin's financial system.</p> <p>Where a stop payment on a cheque is required, it will be authorised by the Chief Executive Officer or Manager Corporate & Community Services.</p> <p>The Manager Corporate & Community Services will be responsible for carrying out the following duties in regards to a stop payment on a cheque</p>		<p>Bank Reconciliations are prepared monthly sample check for Nov 2021, April 2022 and June 2022 performed</p>	

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Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Existence / Occurrence 1.2

¶34-250 1.2

Smart Review	0	Unanswered Questions	0
Weaknesses		Impact on procedures	
W/IP			
Outstanding unrecorded transaction in GL		As at 30 June 2022 \$296,348.51 worth of transactions were not recorded resulting that cash at bank balance being understated	
Has the control objective been met?			Y
Control Conditions		Status	Answer
(a) Duties are segregated.		✓	Y
(b) Authority is required for opening and closing bank accounts.		✓	Y
(c) Bank statements are received regularly for all bank accounts and independent reconciliations are prepared and subject to review.		✓	Y
(d) Supervision is effective.		✓	Y

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Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Cash and Bank - Existence / Occurrence 1.3			¶34-250 1.3
Smart Review	0	Unanswered Questions	0

Audit assertion: 1. Existence / Occurrence
Control objective: 1.3 All payments made from cash funds are properly supported.

Key Controls	Control Risk	Planned Reliance	Notes	W/P

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
-------------------------------------	---

Control Conditions	Status	Answer
(a) Duties are segregated regarding custody of funds and recording of transactions.	✓	Y
(b) Reimbursements are properly supported by vouchers which have been authorised by a responsible official.	✓	Y
(c) Advances and IOUs are properly controlled.	✓	X
(d) Vouchers are properly cancelled to prevent resubmission.	✓	Y
(e) Postings to general ledger accounts are properly controlled.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Cash and Bank - Existence / Occurrence 1.4			¶34-250 1.4
Smart Review	0	Unanswered Questions	0

Audit assertion: 1. Existence / Occurrence
Control objective: 1.4 All payments from bank accounts for goods and services are properly supported.

Key Controls	Control Risk	Planned Reliance	Notes	W/P

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
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Control Conditions	Status	Answer
Refer to Purchases, creditors internal control evaluation and cash payments (¶31-250)	✓	Y

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Client Details				
Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form			
Cash and Bank - Completeness / Classification			¶34-270
Smart Review	0	Unanswered Questions	0

Audit assertion: **2. Completeness / Classification**
Control objective: 2.1 All cash remittances received are deposited.

Key Controls	Control Risk	Planned Reliance	Notes	W/P

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
-------------------------------------	---

Control Conditions	Status	Answer
Refer to Sales, debtors and cash receipt's internal control evaluation (¶30-270 2.4)	✓	Y

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Client Name	Shire of Dowerin		Reviewer	
Client Code			Date Prepared	21-Nov-2022
Period Start	1-Nov-2021	Period End	31-Oct-2022	

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Ownership / Proprietary

134-300

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 Bank accounts are opened only in the client's name.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Policy 3.6 Bank Account Policy refer 34-250 12	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
--	---

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Appropriate authority is required for opening and closing bank accounts.	✓	Y
(c) Bank statements regularly received for all bank accounts and independent reconciliations are prepared and subject to review.	✓	Y

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Client Details				
Client Name	Shire of Dowerin	Preparer	Dominic Carbone	
Client Code		Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form				¶34-330
Cash and Bank - Valuation / Measurement				
Smart Review	0		Unanswered Questions	0

Audit assertion: 4. Valuation / Measurement
Control objective: 4.1 Bank accounts are correctly stated in the accounts.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Refer 34- 250 1.2	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
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Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Bank reconciliations are prepared regularly and reviewed.	✓	Y
(c) Inter-bank transfers are properly controlled.	✓	Y
(d) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Cash and Bank - Cut-Off

134-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: 5. Cut-Off
Control objective: 5.1 Cash and bank transactions are recorded in the correct accounting period.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
			Refer to 34-250 12	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
--	---

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Bank reconciliations are independently reviewed.	✓	Y
(c) Kiting is prevented.	✓	Y
(d) Supervision is effective.	✓	Y

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Version: 01.03.0003

Client Details

Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Existence / Occurrence 1.1

T36-250 1.1

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence

Control objective: 1.1 Adequate security and authorisation over payroll transactions.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Pay rates in Award checked to Pay run ending 23/11/2022.	M	M	Employees are paid in accordance with the Municipal Employees Award 2021 and Local Government Industry Award 2020	
	L	N	Council Policies Policy 7.17 - Employee Housing - provision of housing for designated positions.	
Net pay amounts from pay report on 23/11/2022 matched to payment made via NAB Online.	M	M	Payment of salaries and wages via direct debts NAB Connect Online Banking	
Checked personnel files held in locked cabinet in Payroll officer office. Verified sample personnel files with	L	M	Employees have individual personnel files that contain the following information emergency contacts, new employee information, medical, payroll, reviews, training ,super and correspondence. Files are stored in the locked filing cabinet in payroll office.	
Sample Payroll tested for Fortnight ending 23/11/2022. As electronic timesheets are used, there is no verification report to test timesheet hours, rather most employees are on standard 76 hours, except for those that are part time or casual.	M	C	DCEO authorises inside staff timesheets electronically, Works Coordinator authorises outside staff including cleaners electronically. DCEO authorises any employee termination payments - calculated and entered manually.	
	M	M	All staff record their daily hours via the Altus payroll app on a smart phone or ipad, except for PEP works, some casual staff and others that struggle with IT . The app directly records the hours into the timesheet module in Altus. PO checks all timesheet have been approved by supervisor checks data to Team variance report. PO opens a pay run and calculates pays. DCEO checks and certifies prior to pay run report. PO finalises pay run and generates various payroll reports from Altus. PO prints or emails payslips to employees. PO loads ABA File to NAB and requests authorisation for payment from CEO, DCEO, EGO - 2 authorisations required. PO updates universal journal in Synergy and reconciles.	
Weaknesses			Impact on procedures	W/P
Has the control objective been met?				Y

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Version: 01.03.0003

Client Details

Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Existence / Occurrence 1.1

T36-250 1.1

Smart Review	0	Unanswered Questions	0
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Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) There is written authorisation for:	✓	Y
(i) rates to pay	✓	Y
(ii) variations in rates of pay	✓	Y
(iii) bonuses	✓	X
(iv) payments for annual, long service and sick leave	✓	Y
(v) termination of employment	✓	Y
(c) Individual personnel files are maintained containing the above authorisations and employee specimen signatures.	✓	Y
(d) Authorised deduction forms are held by the employer.	✓	Y
(e) All overtime worked is authorised.	✓	Y
(f) Advances of pay are authorised.	✓	X
(g) There is adequate security over the handling and distribution of payroll.	✓	Y
(h) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Existence / Occurrence 1.2

136-250 1.2

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.2 Payroll cheques are issued only for individuals who work for the client.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Verified and signed fortnightly payroll report	M	M	Fortnightly payroll reviewed by DCEO prior to finalisation of pay. DCEO certifies and signs and dates Payroll Comparison Detail Report.	
	M	M	Timesheets are approved electronically by supervisor. If not approved, then they will sit in pending file until approved.	
Weaknesses			Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Duties are segregated.	✓	Y
(b) Payroll transactions are regularly reviewed by an independent person.	✓	Y
(c) The recording of hours worked is adequately controlled.	✓	Y
(d) Time cards/sheets are approved.	✓	Y
(e) Employees are identified prior to payment.	✓	Y
(f) Adequate personnel files are maintained.	✓	Y
(h) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin	Preparer	Dominic Carbone		
Client Code		Reviewer			
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Existence / Occurrence 1.3

¶36-250 1.3

Smart Review	0	Unanswered Questions	0
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Audit assertion: 1. Existence / Occurrence
Control objective: 1.3 Employees are paid only for the time they actually worked.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
	M	M	As Per electronic timesheets, manual timesheets attached to payroll reports and standard pays	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
--	---

Control Conditions	Status	Answer
(a) Time cards/sheets are approved.	✓	Y
(b) Time clocks are used to record hours worked.	✓	N
(c) Supervision is effective.	✓	Y

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Client Details					
Client Name	Shire of Dowerin		Preparer	Dominic Carbone	
Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Completeness / Classification

136-270

Smart Review	0	Unanswered Questions	0
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Audit assertion: 2. Completeness / Classification
Control objective: 2.1 Recorded payroll transactions are correctly summarised and posted.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
	M	M	Gross pay report for Year matched to GL Gross Salaries Account for 30 June 2022. STP report does not match YTD Report - Errors found in STP - rent, child support payments, housing bond deductions flagged as pre-tax in error, resulting in under reporting of Gross Taxable payments for STP to ATO. Correction required, or FBT reported.	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	N
-------------------------------------	---

Control Conditions	Status	Answer
(a) Payroll summary calculations are verified.	✓	Y
(b) Postings to general ledger are checked.	✓	Y
(c) Payroll transactions are recorded on a timely basis.	✓	Y
(d) Payroll transactions are properly included in the employee earnings record.	✓	N
(e) Supervision is effective.	✓	N

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Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

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Internal Control Evaluation Form

Payroll - Ownership / Proprietary

¶36-300

Smart Review	0	Unanswered Questions	0
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Audit assertion: 3. Ownership / Proprietary
Control objective: 3.1 All payroll transactions are properly authorised.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Electronic workflow approval process to authorise timesheets.	M	C	Employees file timesheets electronically. Reviewed by Supervisor and approved electronically.	
Letter of authorisation	M	M	Rates of pay changes are notified by letter to the employee, whether from Award increase or overaward payment approved by CEO. Letter of pay rate change kept on personnel file.	
Certified Termination calculation worksheet	M	M	Termination payments are calculated manually and verified by DCEO prior to entry into Altus Payroll.	

Weaknesses	Impact on procedures	W/P

Has the control objective been met?	Y
-------------------------------------	---

Control Conditions	Status	Answer
(a) Written authorisation is obtained for:	✓	Y
(i) rates of pay	✓	Y
(ii) variations in rates of pay	✓	X
(iii) bonuses	✓	Y
(iv) payments for annual, long service and sick leave	✓	Y
(v) termination of employment	✓	Y
(vi) Overtime worked	✓	Y
(vii) Pay in advance	✓	X

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Client Code			Reviewer		
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared	21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Valuation / Measurement

T36-330

Smart Review	0	Unanswered Questions	0
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Audit assertion: 4. Valuation / Measurement

Control objective: 4.1 Recorded payroll transactions are calculated at the proper rates and withholdings are correctly calculated.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Sample check for Payroll ended 23/11/2022	L	M	As per Municipal Employees Award WA 2021 for outside workforce and the LG Industry Award WA 2021 and employee contracts and ATO withholding tax rates.	
Team variance report to check employees have correct hours for fortnight by payroll officer and DCEO.	M	C	Timesheets completed electronically. No documentation to check timesheet entries against. Timesheet approval completed electronically.	
Certified Pay Comparison Detail Report - checked for pay run 23/11/2022.	M	M	DCEO reviews and verifies Pay Comparison Detail Report for each employee, checking allowances and deductions for pay run.	

Weaknesses	Impact on procedures	W/P
Has the control objective been met?		
Y		

Control Conditions	Status	Answer
(a) Payroll hours, calculations and additions are determined and checked.	✓	Y
(b) Payroll sheets and summaries are prepared and checked.	✓	Y
(c) The summary of net payroll is agreed to cheque drawn.	✓	Y
(d) Employees' earnings and deductions records are prepared and checked.	✓	Y
(e) Authorised deduction forms are available to support deductions made.	✓	Y
(f) Supervision is effective.	✓	Y

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Client Details				
Client Name	Shire of Dowerin		Preparer	Dominic Carbone
Client Code			Reviewer	
Period Start	1-Nov-2021	Period End	31-Oct-2022	Date Prepared
				21-Nov-2022

[Goto CoverSheet](#)

[Goto CheckList](#)

Internal Control Evaluation Form

Payroll - Cut-Off

136-350

Smart Review	0	Unanswered Questions	0
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Audit assertion: 5. Cut-Off

Control objective: 5.1 All payroll transactions are recorded in the correct period.

Key Controls	Control Risk	Planned Reliance	Notes	W/P
Supervisor to review & approve timesheets before submitted for inclusion in pay run.	M	M	Timesheets are completed electronically each day by employees ready for review by Supervisor.	
Certified Pay items Report. Universal Journal posted in Synergy.	M	M	Fortnightly pay run is completed and posted on day of payroll processing	
Certified Monthly Payroll Reconciliation	L	M	Payroll reconciliation is performed monthly and verified to GL. End of year STP reconciliation process needs to be strengthened to ensure STP balances to Gross Pay in GL, less any salary sacrifice amounts.	

Weaknesses	Impact on procedures	W/P

Has the control objective been met? Y

Control Conditions	Status	Answer
(a) Payroll transactions are promptly posted.	✓	Y
(b) The payroll is reviewed prior to and subsequent to year end.	✓	Y
(c) Payroll is reconciled with budget and any variances are analysed.	✓	Y

**ATTACHMENT 3
FLOWCHARTS/PROCESS MAPS**

**MAIL/CASHIERING
ACCOUNTS RECEIVABLE
ACCOUNTS PAYABLE
PAYROLL
PETTY CASH**

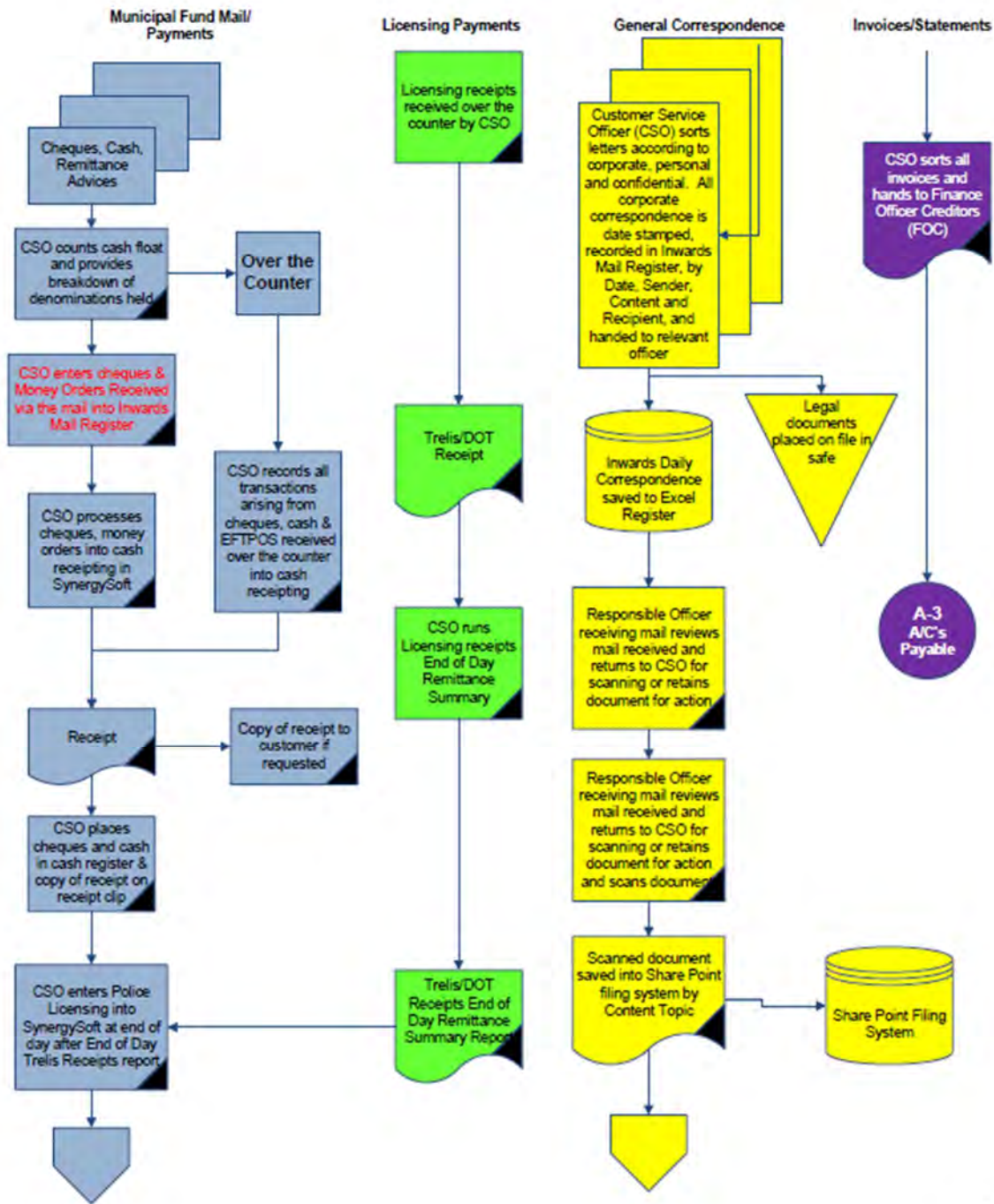
SHIRE OF DOWERIN

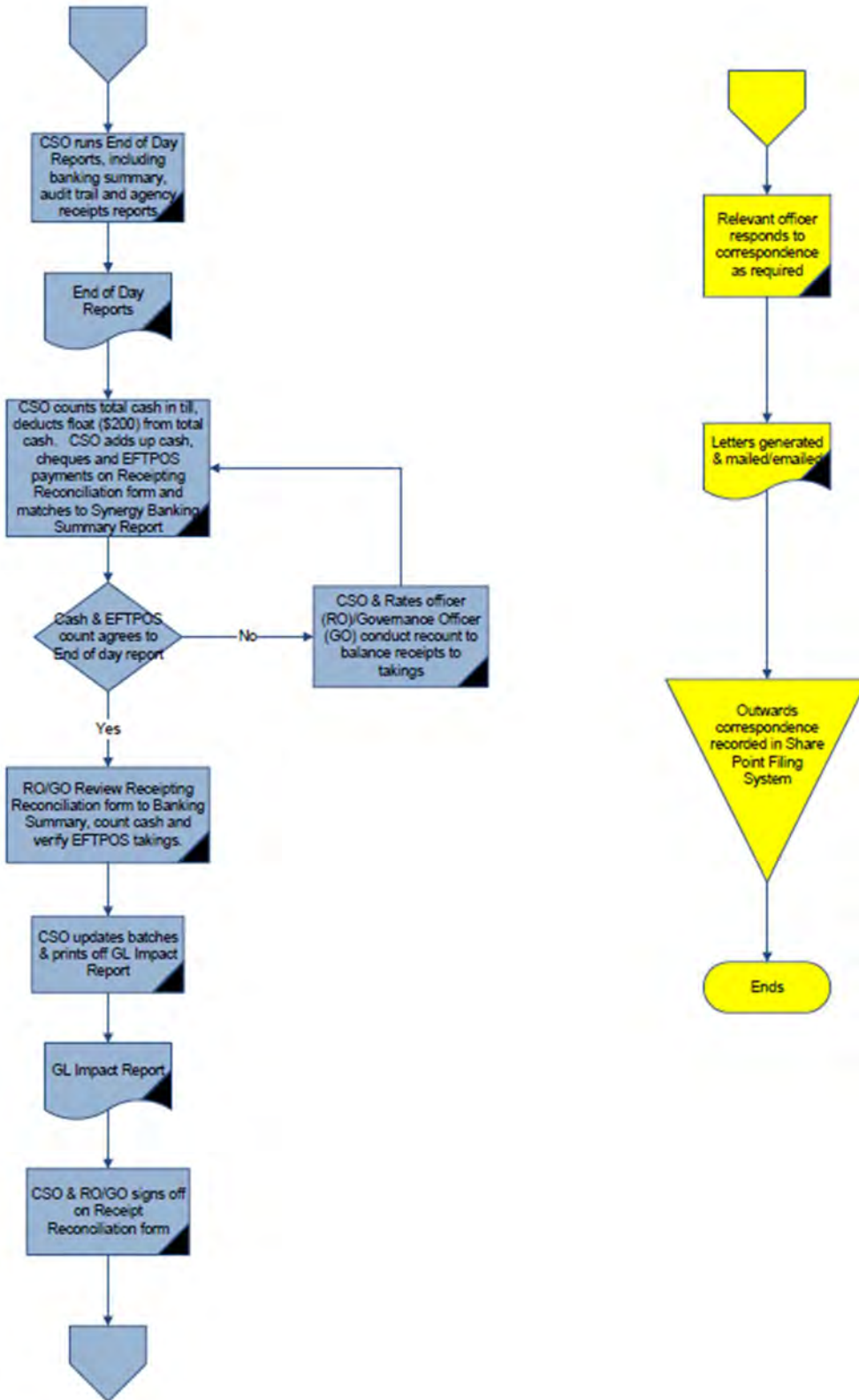
Mail/Cashiering

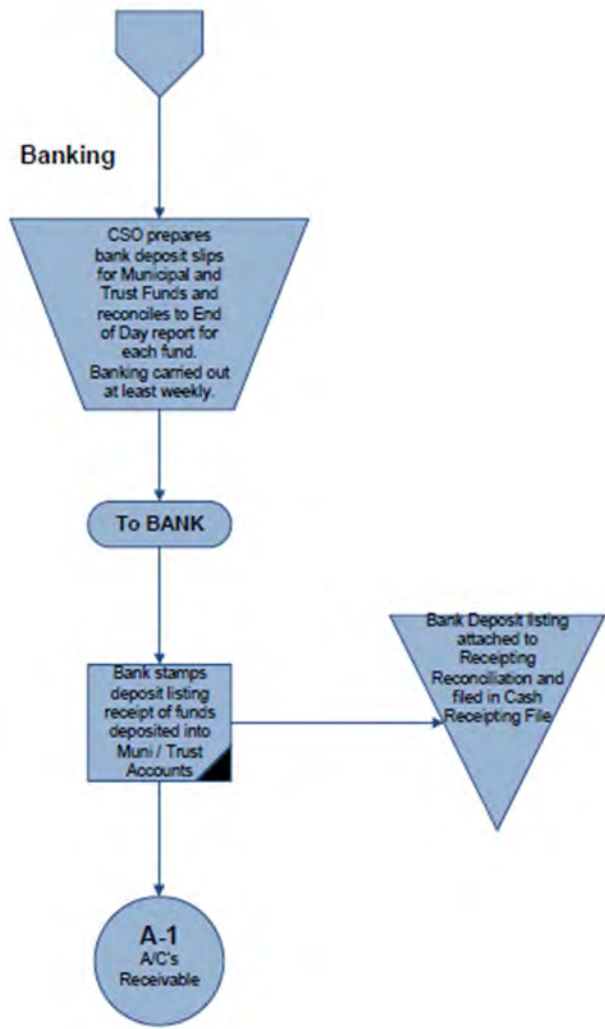
Flowchart

22/11/2022

Council Officers collect mail from post office. Customer Services Officer (CSO) sorts all incoming correspondence into the categories listed below and records in Inwards Mail Register. All items of correspondence, including payments, are date stamped upon receipt.







A-1
Mail/Cashier

CSO posts debtor receipts via cash receipting to general ledger as a permanent record as part of end of day process

GL Impact Statement

GL Impact statement is filed in update batch report register

Generation of Invoice

Finance Admin Officer (FAO) receives or obtains documentation:
 - New Debtor Details form,
 - Debtor Invoice request form,
 - Request for Private works forms,
 - Hire of Shire Public Building form,
 - Hire of Community Bus form
 - Standpipe water use form
 and other documents with instructions, signed by requesting officer to enable the raising of the debt

FAO raises invoice in Debtors Ledger in SynergySoft system with amount as per documentation and checked to Schedule of Fees & Charges

FAO prints Debtors Invoice Batch Report

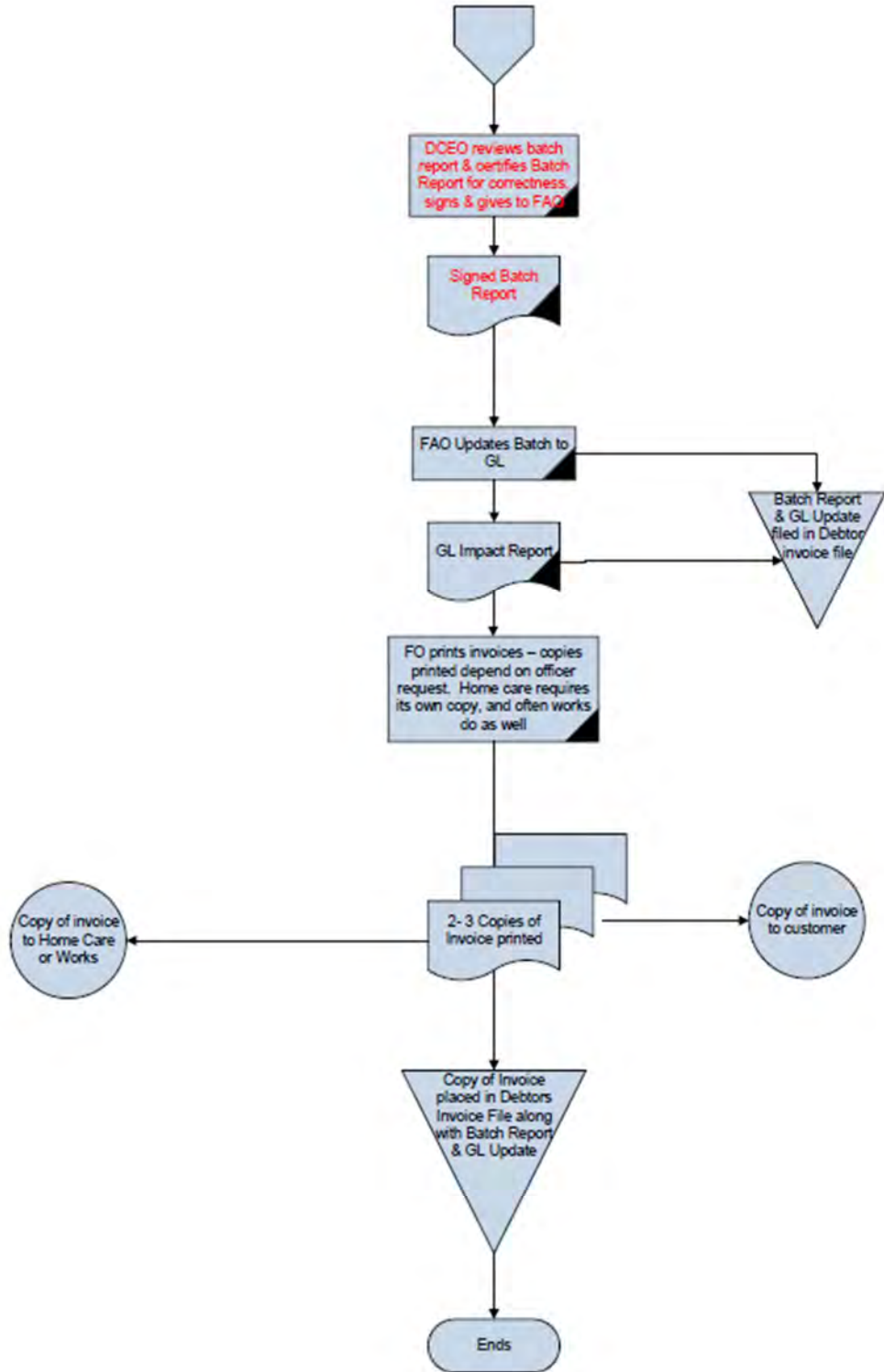
Batch Report

Batch Report checked by FAO for correctness of data

FAO enters any adjustments/ amendments to invoices and prints batch report

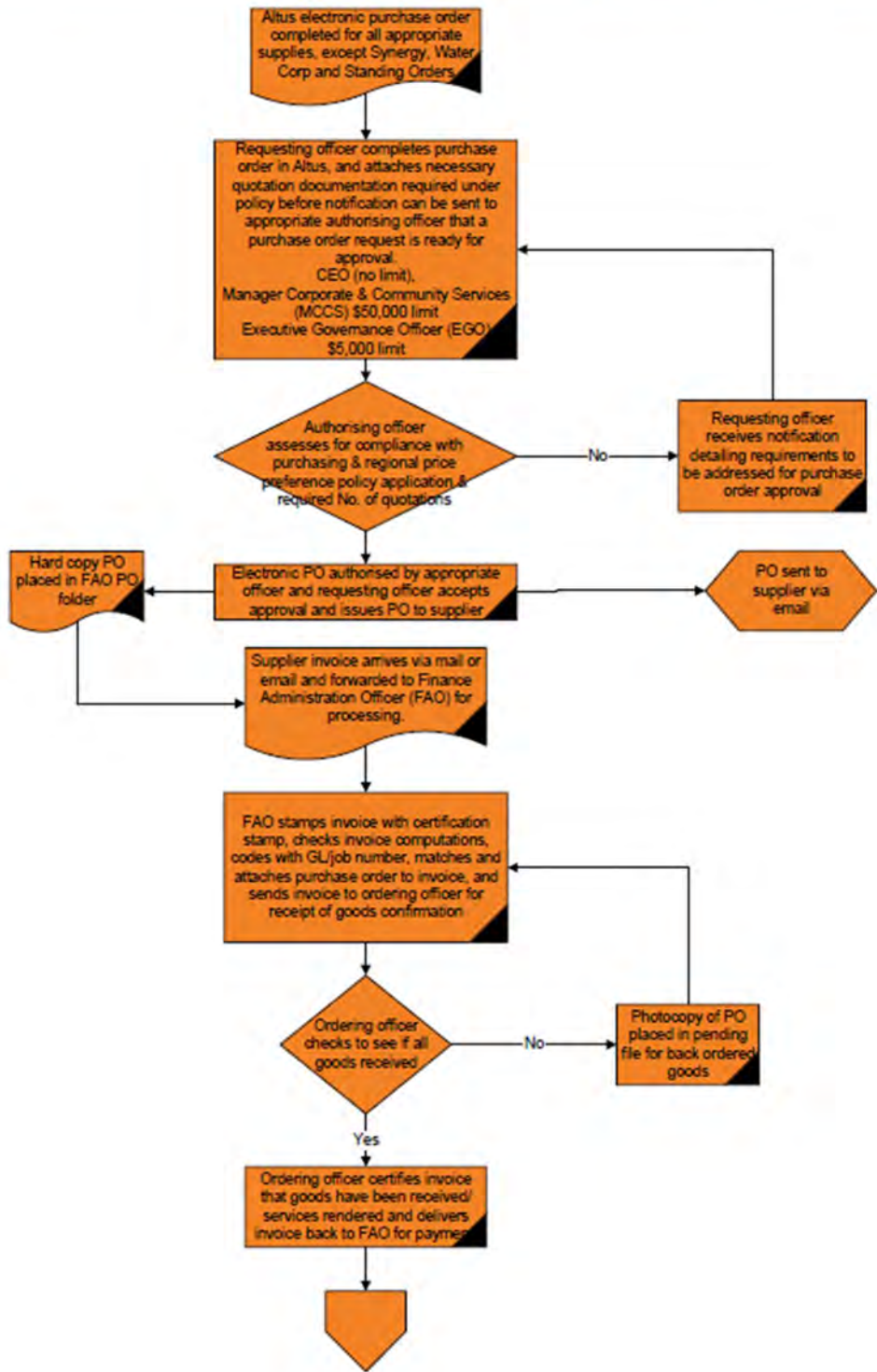
FAO provides Debtors Invoice Batch Report to DCEO for review

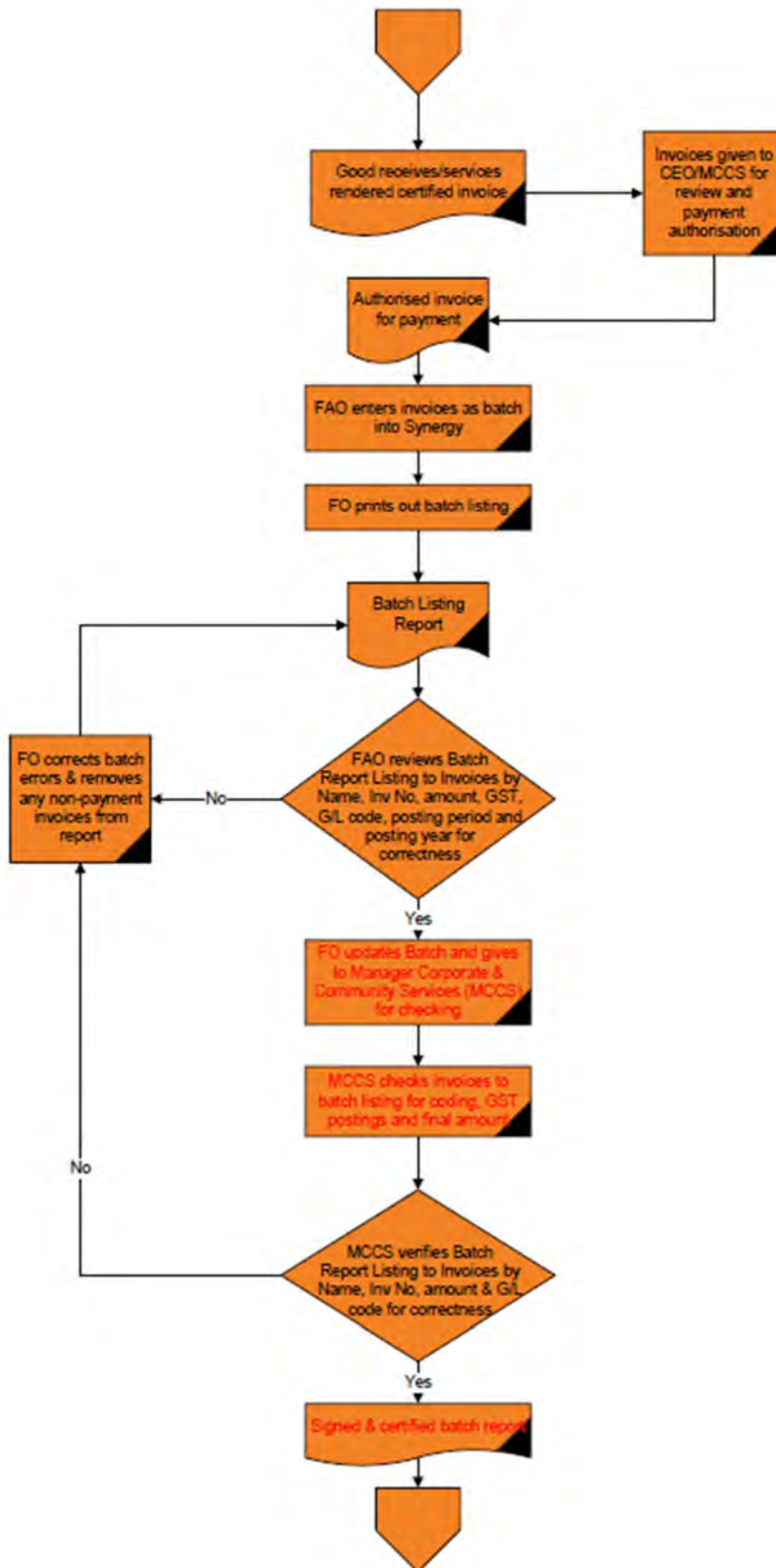
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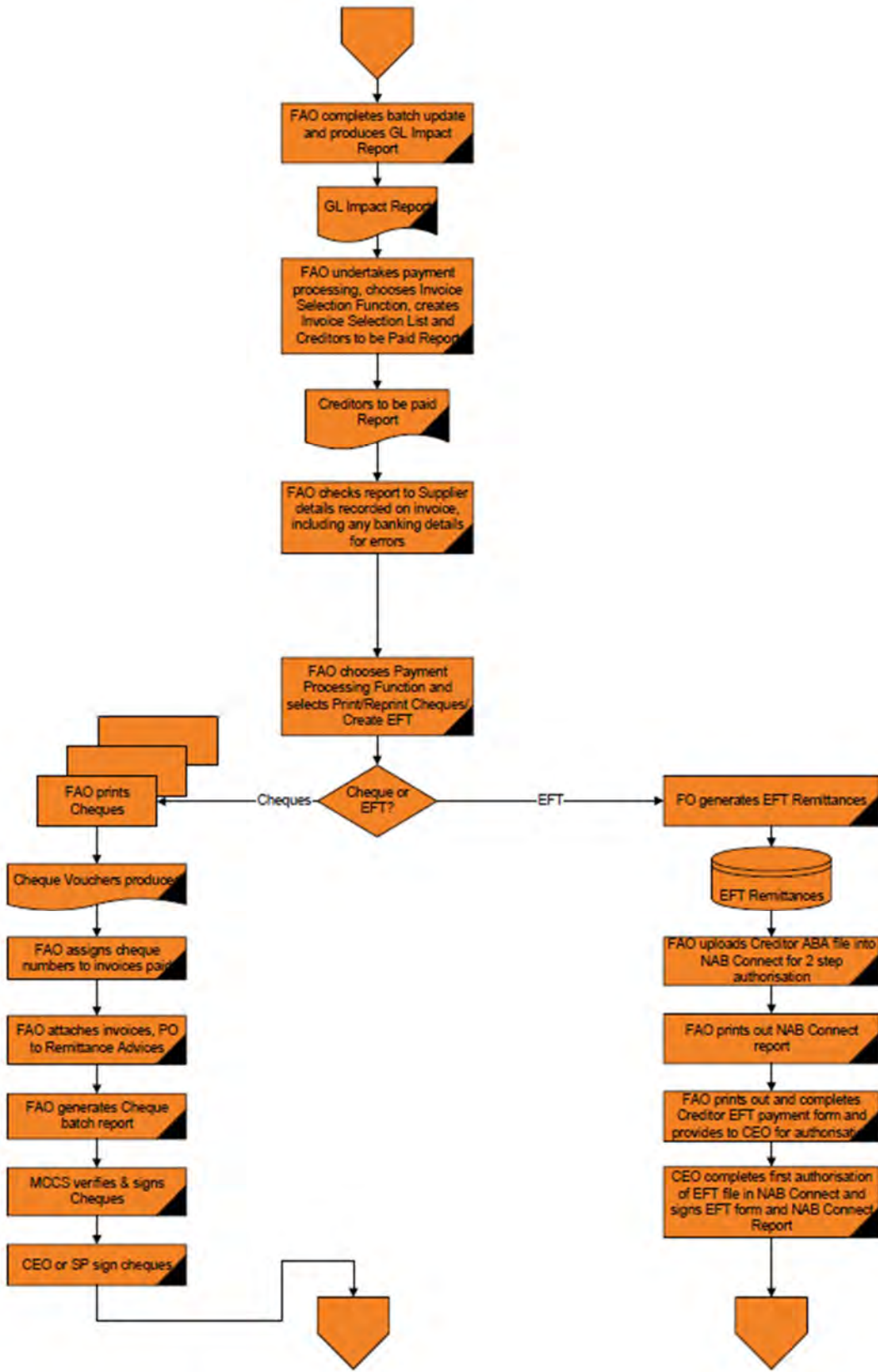


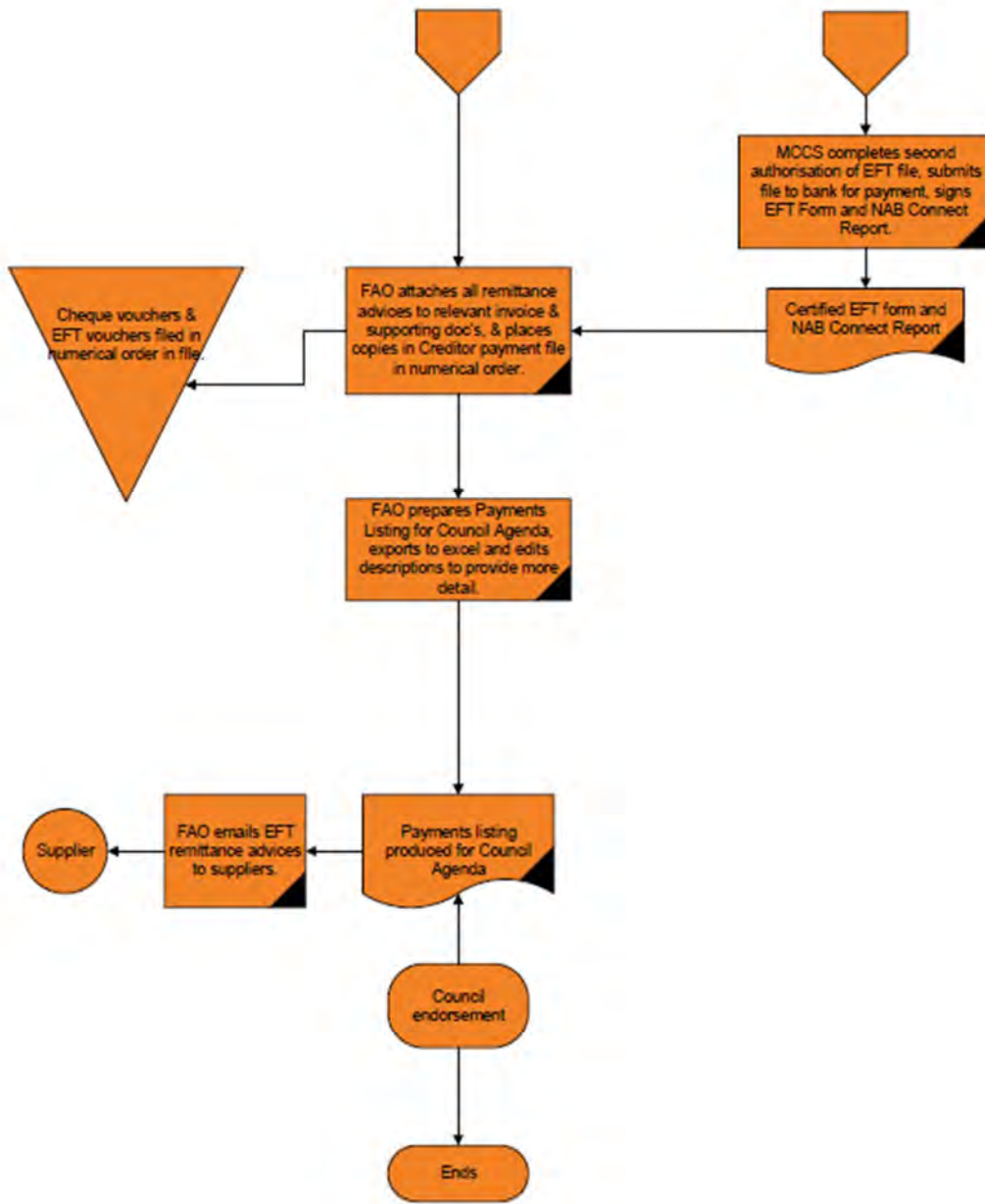
SHIRE OF DOWERIN

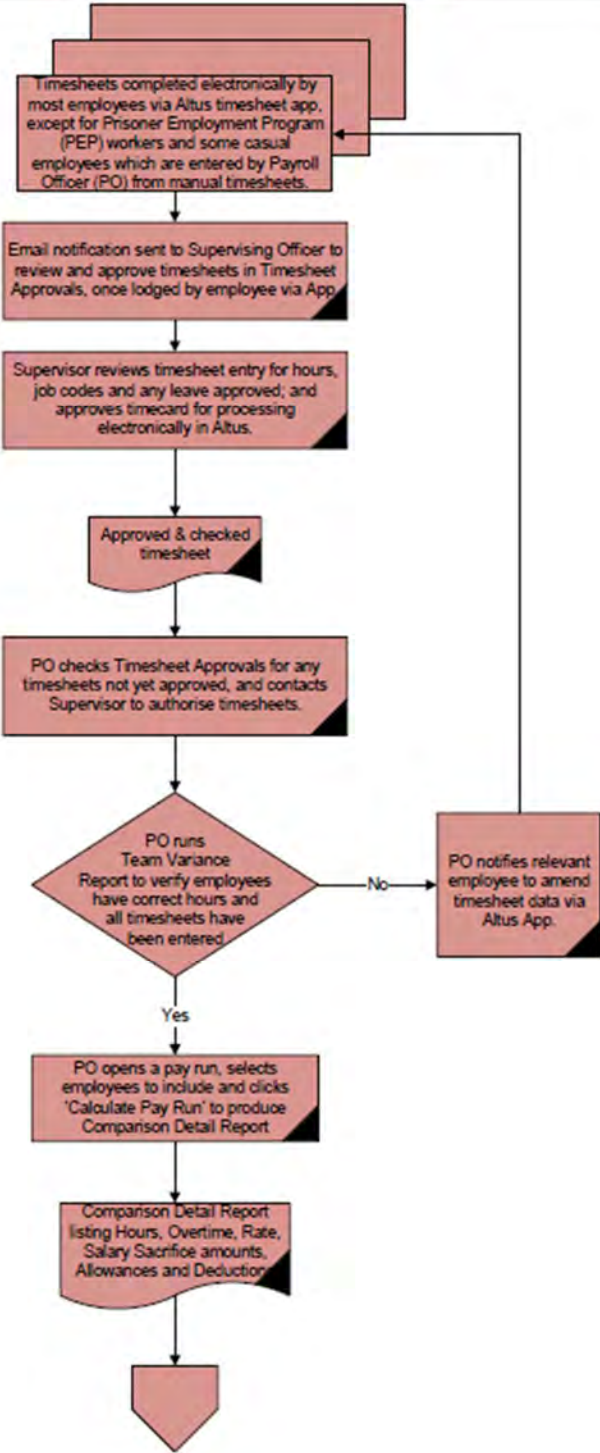
Accounts Payable Flowchart 24/11/2022

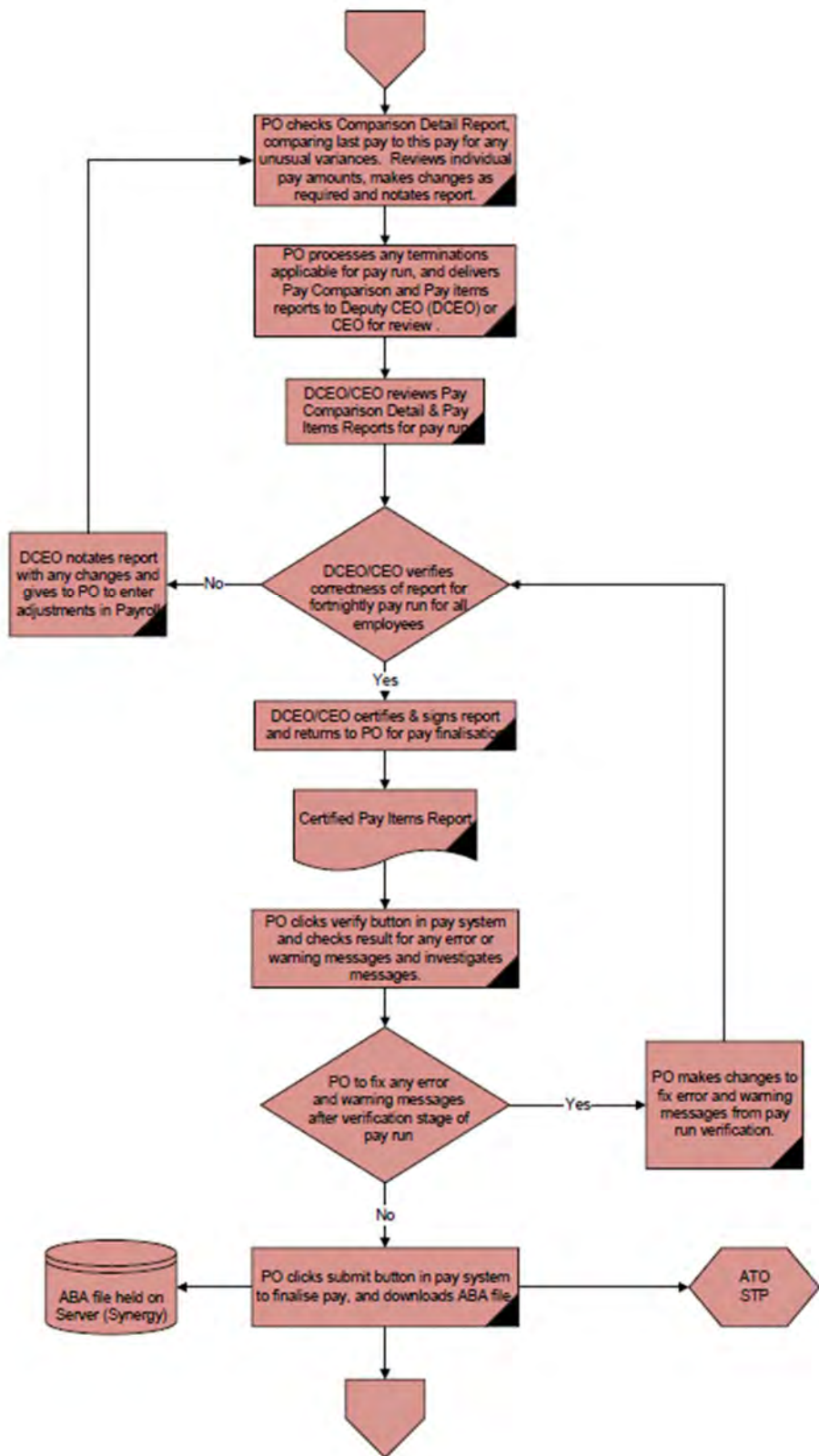


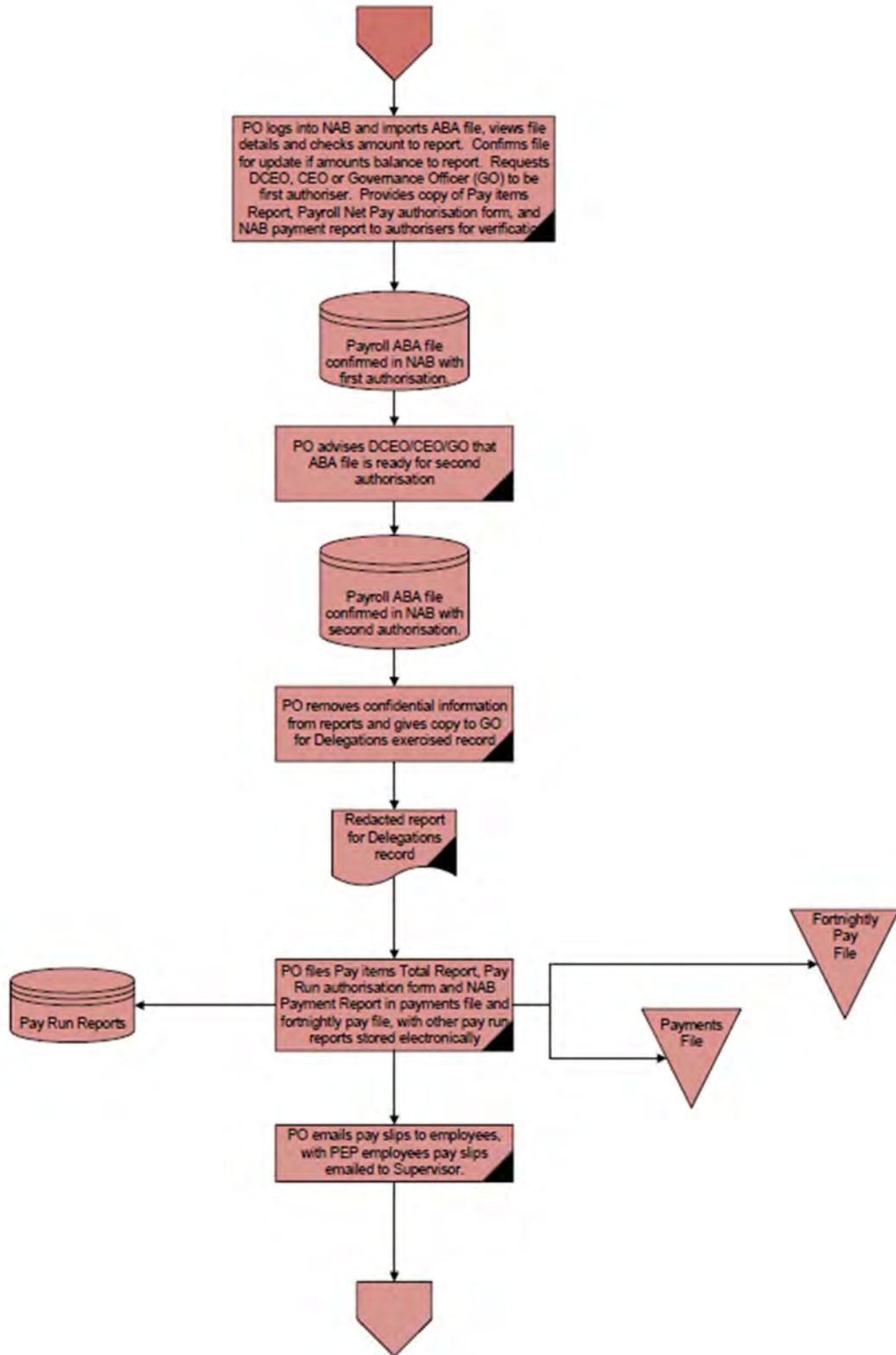


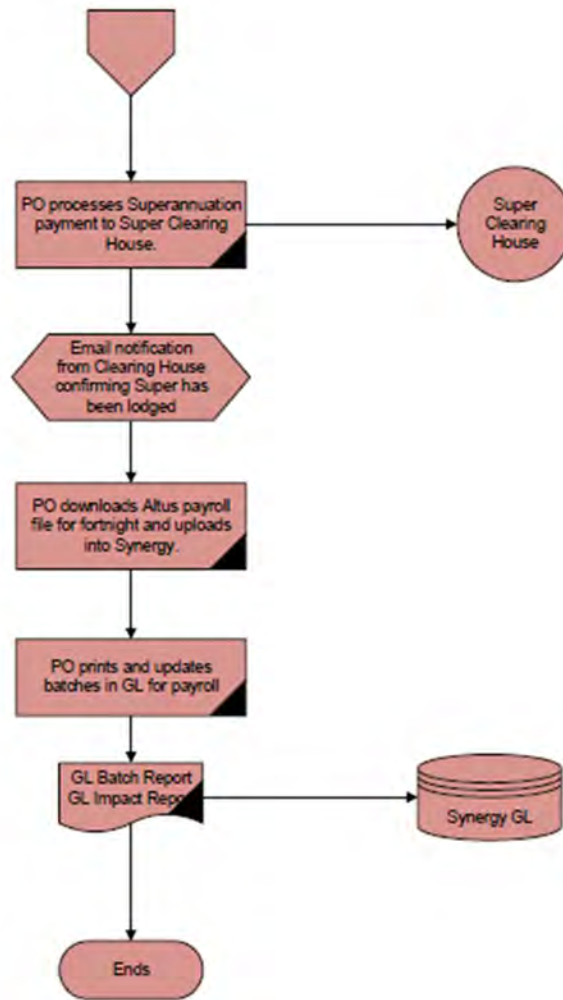


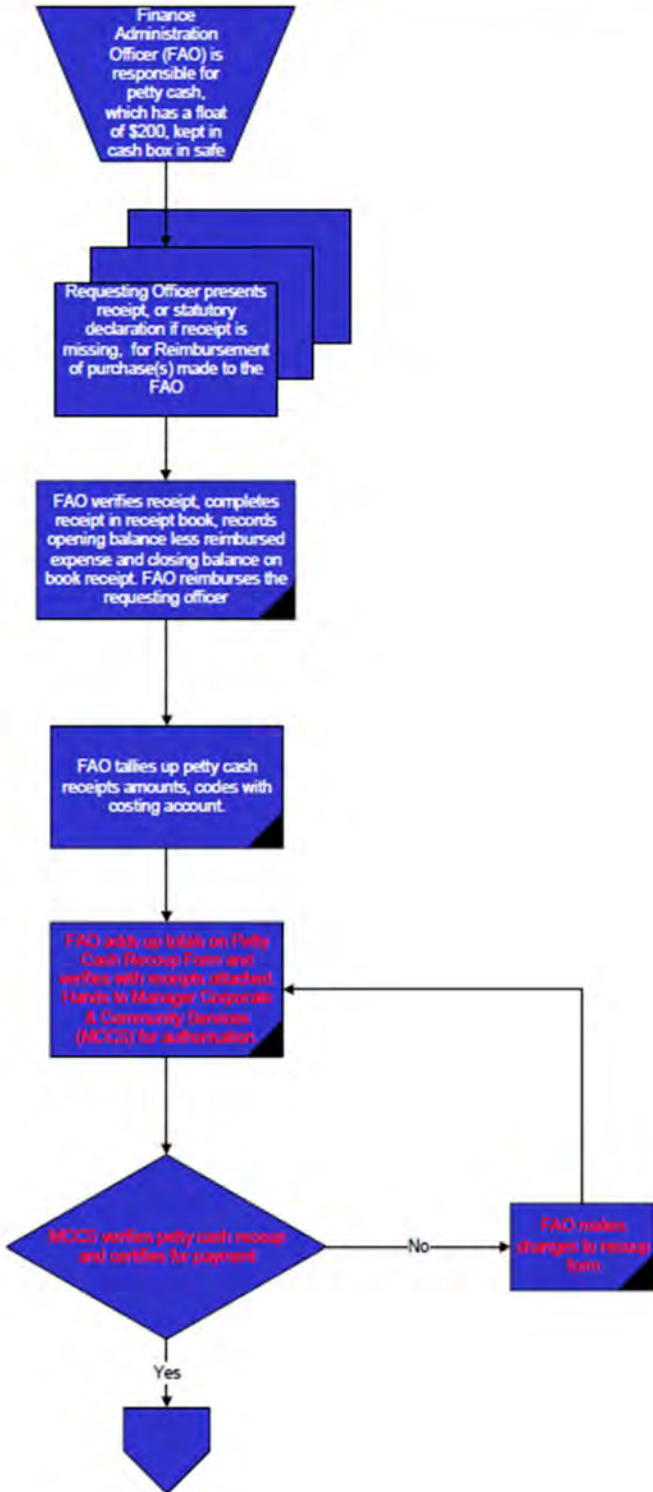


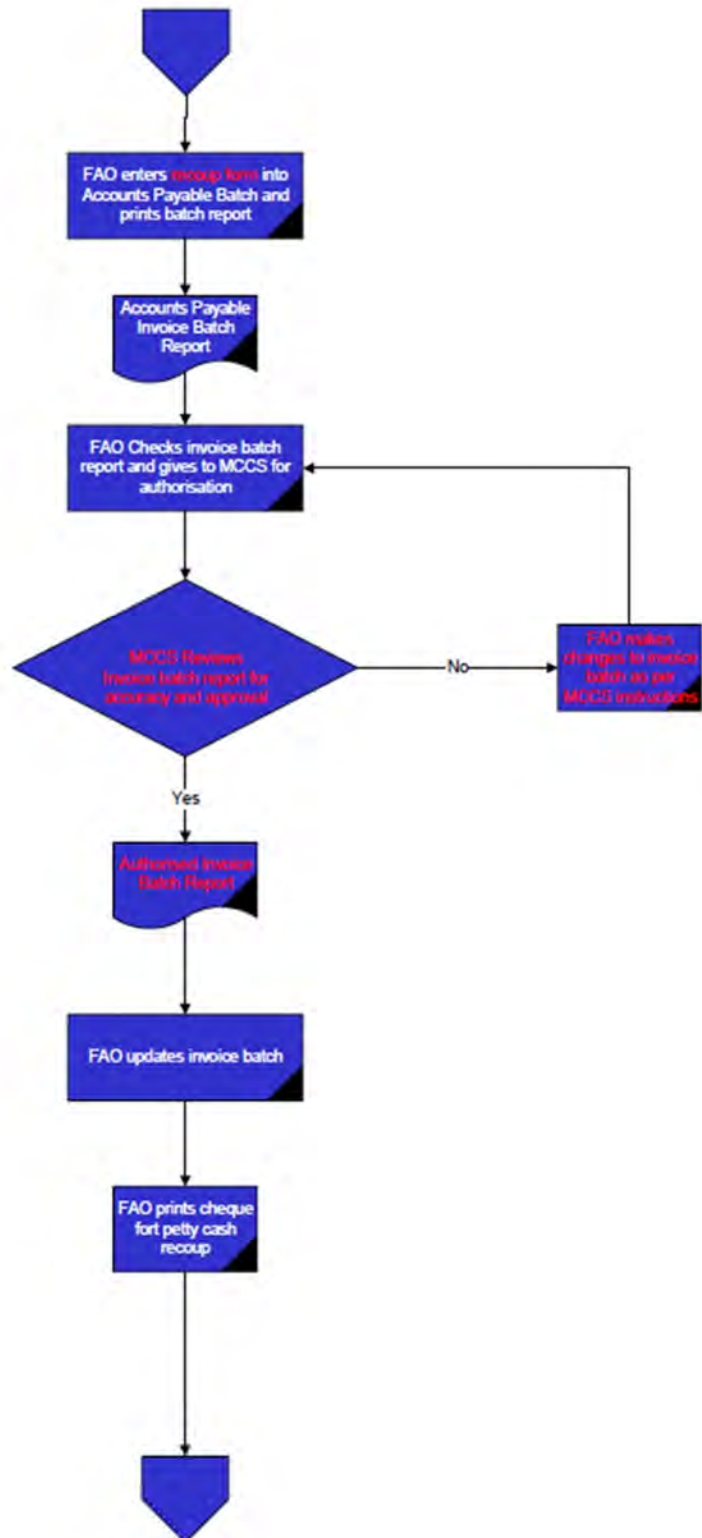


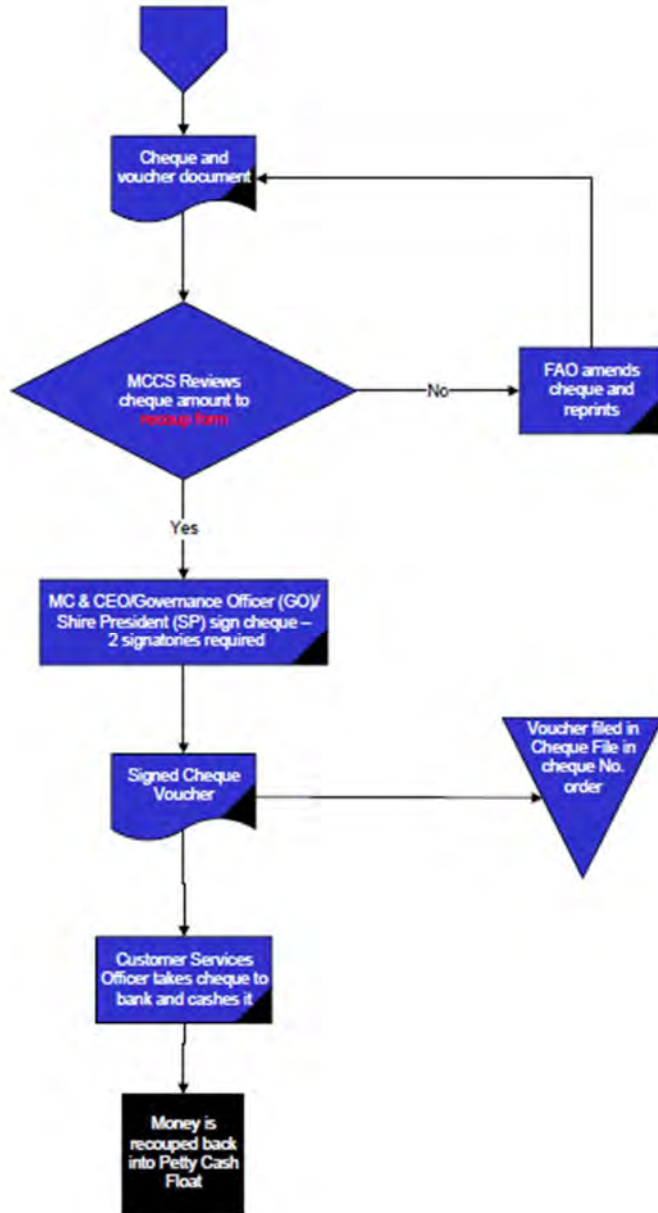






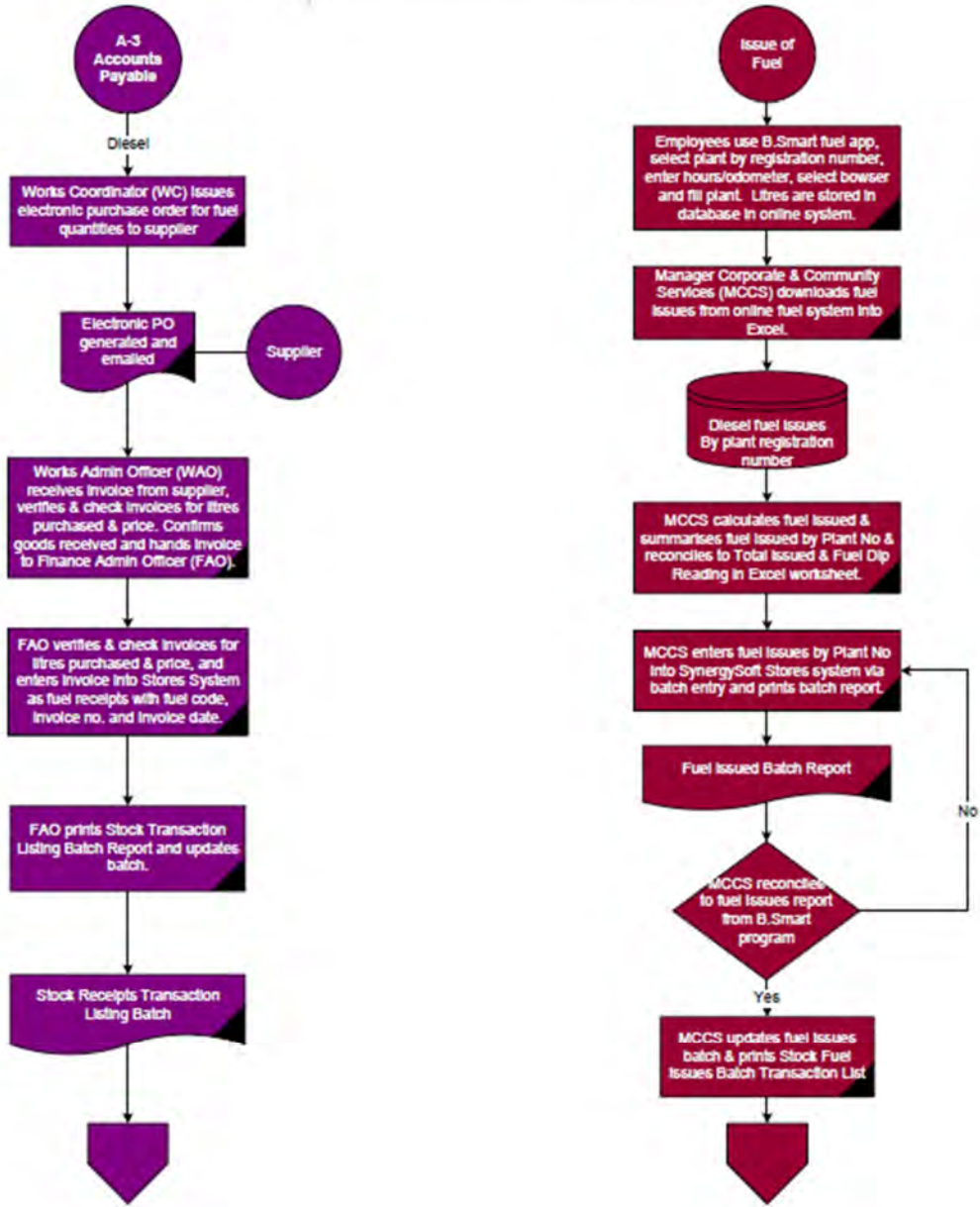






SHIRE OF DOWERIN		
Fuel Stock	Process Map	24/11/2022

All Shire purchases are related to Fuel





Finding No.	Assessment	Summary of Finding	Improvement Recommendations	Management Comments	Responsible Officer Comments	Status	Expected Completion Date
1	Needing Improvement	* Periodic reviews of non-rateable properties to ensure exempt properties still meet the criteria under the Act * Rate Exemption Register should be developed	That the CEO implement new internal control procedures for the reviewing of rate exempt properties, including the establishment of a rate exemption register, to strengthen internal controls.	Management and staff will conduct annual review of non-rateable properties in line with the Act to ensure exempt properties criteria is met. A Rate Exemption Register will be developed and used as part of the annual review.		In Progress	30-Jun-23
2	Needing Improvement	* Petty Cash Policy updated to remove DHC float, add Gentle Gym and Pool floats	That the CEO review Council Policy 3.9 to incorporate the floats for the swimming pool and Dowerin Home Care.	Policy will be revised and incorporate the additional floats.		In Progress	31-May-23
3	Needing Improvement	* DHC Debtor Invoices for CHSP need to have documentation to show evidence of approval by a supervisor	That the CEO implement new internal control procedures for Commonwealth Home Support Package (CHSP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.	This will be addressed by staff to implement the recommended improvement.		In Progress	31-Mar-23
4	Needing Improvement	* Review CHSP structure to remove charging GST or reduce overall pricing	That the CEO review the fee structure for CHSP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.	Duplication Finding - Refer to finding 30 DHC staff is addressing the changes in the Schedule of Fees and Charges as part of new changes by Government as at 1 January 2023.		In Progress	31-Mar-23
5	Needing Improvement	* DHC Debtor Invoices for DHC need to have documentation to show evidence of approval by a supervisor	That the CEO implement new internal control procedures for Home Care Package (HCP) debtor invoices where the Deputy CEO reviews and certifies customer invoices generated from data entered into SynergySoft and the supporting documentation provided, via a debtor batch listing report, to strengthen internal controls.	DHC Staff have been advised to implement the new process as per recommendation.		In Progress	31-Mar-23
6	Needing Improvement	* Review HCP structure to remove charging GST or reduce overall pricing	That the CEO review the fee structure for HCP client fees charged and evaluate whether the fee charged is simply changed to be GST-free, or whether the fee should be reduced to the GST-free price.	Duplication Finding - Refer to finding 30 DHC staff is addressing the changes in the Schedule of Fees and Charges as part of new changes by Government as at 1 January 2023.		In Progress	31-Mar-23
7	Needing Improvement	* July 2021 HCP subsidy \$31,679.52 was receipted with GST \$2,879.96, Amendment BAS required to claim this GST back	That the CEO lodge a Business Activity Statement amendment for August 2021 to claim the GST overpayment related to the GST deducted from the HCP subsidy received on 17 August 2021.	Staff will address the GST component of \$31,679.52 in the next BAS return.		In Progress	31-Mar-23
8	Needing Improvement	* Accounts receivable requires approval from supervisor inclusive of debtor batch listing report to show GST is being appropriately raised	That the CEO implement new internal control procedures for Accounts Receivable, where the Deputy CEO reviews each debtor invoice batch report and certifies the report as being checked to strengthen internal controls.	Staff have been advised and new procedures have been implemented as per recommendation. (Duplication Finding - refer to finding 20)	This has now been implemented.	Complete	
9	Needing Improvement	* Cheques or money orders should be recorded in the Incoming Mail Register	That the CEO implement new internal control procedures for Mail/Cashiering, where the officer opening the mail records cheque and money order payments in the Excel Inwards Mail Register	Staff have implemented the recommendation as provided.	Noted that the incoming amount is very minimal	Complete	
10	Needing Improvement	* No record of swimming pool float in the balance sheet	That the CEO authorise the posting of a general journal entry to record the cash floats for the swimming pool of \$200 and Dowerin Home Care of \$50 in the balance sheet.	Staff will implement Pool Float on balance sheet for 23/24 and onwards.		In Progress	1-Jul-23
11	Needing Improvement	* No record of DHC gentle gym float in the balance sheet	That the CEO authorise the posting of a general journal entry to record the cash floats for the swimming pool of \$200 and Dowerin Home Care of \$50 in the balance sheet.	Staff will implement Gentle Gym Float on balance sheet for 23/24 and onwards.		In Progress	1-Jul-23
12	Needing Improvement	* Gentle gym takings not receipted on the day, held by DHC until the end of the month, then receipted	That the CEO implement new internal control procedures for Gentle Gym, where the cash taken at gentle gym classes is receipted on the day it is received at the office.	DHC Staff have been advised to implement the new process as per recommendation.	This has since been implemented, however it still occurs where DHC staff are not passing on the takings to the CSO for receipting	Complete	
13	Needing Improvement	* Investment Register does not meet regulation requirements	That the CEO implement an updated Investment Register that complies with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 requirements.	Investment Register will be reviewed and updated accordingly by the DCEO.		In Progress	30-Jun-23
14	Needing Improvement	* Test and Validations of data backups not undertaken regularly	That the CEO obtain regular reports from the external IT provider that data backups have been validated and ensure an annual test of a full system restore is performed.	DCEO will engage with current IT Support provider to ensure regular backups are done.	Backups are completed before and after Rates Billing, could definitely be done more often	In Progress	31-Mar-23
15	Needing Improvement	* IT Disaster Recovery Plan/Strategy or ICT Data Backup and Recovery Guideline not in place	That the CEO implement an IT Disaster Recovery Plan/Strategy and an ICT Data backup and Recovery Guideline.	ICT Disaster Recovery Plan/Strategy have been in discussions between DCEO and IT Support Provider (Wallis Computing) and will be finalised in 2023.		In Progress	30-Sep-23
16	Needing Improvement	* No formal procedures for key financial tasks	That the CEO implement formalised procedures for key financial tasks that will allow any employee to temporarily fill a position in an emergency	Staff are reviewing, updating and implementing new procedures within their area of responsibility as part of an ongoing internal revamp.	Most of these are in process or being written as the process is being amended in line with audit findings	In Progress	31-Dec-23
17	Needing Improvement	* Bank Rec unbalanced to be amended as a matter of urgency. Unrecorded transaction \$296,348.51 listed on reconciliation to be recorded in Synergy System.	That the CEO arrange for the outstanding unrecorded transactions totalling \$296,348.51 listed on the Municipal Fund bank reconciliation be processed into the general ledger as a matter of urgency.	Staff are working on the solution with current system provider to correct and fix.	Staff has undertaken Bank Reconciliation training from ITVision and it's hoped that this will be amended soon.	In Progress	30-Jun-23
18	Needing Improvement	* Staff Training and Professional Development policy to be proposed and adopted	That the CEO consider developing a policy on employee training and professional development.	Policy 7.5 - Education and Assistance Policy was adopted 2018 and is due to be reviewed.		In Progress	30-Jun-23
19	Needing Improvement	* Accounts Payable batch reports should be reviewed and approved by a supervisor prior to updating	That the CEO implement new internal control procedures for Accounts Payable where the Deputy CEO reviews and certifies the supplier invoice batch listing to supplier invoices prior to batch update by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.	Duplication Finding - refer to finding 26.	This has now been implemented.	Complete	
20	Needing Improvement	* Debtor invoicing batch reports should be reviewed and approved by a supervisor prior to updating	That the CEO implement new internal control procedures for Accounts Payable where the Deputy CEO reviews and certifies the supplier invoice batch listing to supplier invoices prior to batch update by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.	Staff have been advised and new procedures have been implemented as per recommendation. (Duplication Finding - refer to finding 8)	This has now been implemented.	Complete	
21	Needing Improvement	* Petty Cash: a. Recoup form to be developed b. Recoup to be reviewed and certified by a supervisor c. Recoup batch report to be reviewed prior to updating	That the CEO implement new internal control procedures for Petty Cash where: (a) A petty cash recoup form is implemented to summarise petty cash receipts, code each expense transaction and provide a total for the amount of the recoup; and (b) the Deputy CEO reviews and certifies the amount of the reimbursement and recoup before it is performed; and (c) the Deputy CEO reviews and certifies the recoup reimbursement prior to entry into SynergySoft.	Staff are advised and aware the processing of petty cash recoup is done monthly as part of End of Month processes.	Complete	Complete	

Finding No.	Assessment	Summary of Finding	Improvement Recommendations	Management Comments	Responsible Officer Comments	Status	Expected Completion Date
22	Needing Improvement	* Creditor payments showed 2 errors of GST coding	That the CEO implement new internal control procedures for Accounts Payable where the Deputy CEO reviews and certifies the supplier invoice batch listing to supplier invoices prior to batch update by the Finance Administration Officer (FAO). This independent check prior to update would provide improved internal control measures and reduce the risk of errors and omissions that may go undetected.	Staff have implemented the recommendation as provided.	Batch report reviews already implemented to stop this issue from occurring.	Complete	
23	Needing Improvement	* Delegations and Policies to be amended to refer to correct position titles	That the CEO undertake a review of the Delegations Register and Policy Manual to ensure position titles reflect those of the recent organisational restructure.	Review is currently underway when audit review was conducted. Delegation Register updated and adopted in Dec 22. Policy review to reflect.		In Progress	30-Jun-23
24	Needing Improvement	* Tender Register does not contain particulars	NIL NIL		Noted already updated so NFA	Complete	
25	Needing Improvement	Review of the lodgement of BAS as they have all been lodged late		Staff have implemented improved procedures and current BAS lodgements have been brought up to date.	We have completed all BAS to date, however, there is a current BAS with prior period amendments to include. I have updated the procedure and hope to be submitted before the due date soon.	Complete	
26	Needing Improvement	* Accounts Payable batch reports should be reviewed and approved by a supervisor prior to updating		Duplication Finding - refer to finding 19.		Complete	
27	Needing Improvement	* Diesel Fuel Stock: a. Stock Valuation report not produced for opening and closing balances b. incorrect avg price was used, correct at 30 June 2022	That the CEO implement new internal control procedures for diesel fuel stock where the Deputy CEO reviews and certifies a monthly stock valuation report to verify opening balances plus stock movements equals fuel closing balance.	Monthly reconciliation of Stock done as part of End of Month by staff.	Fuel issues have been implemented and updated by staff.	Complete	
28	Needing Improvement	* STP data not correctly reconciled to SS gross salaries and wages data	That the CEO implement new internal control procedures for payroll to ensure the STP data file matches SynergySoft gross salaries and wages data.	Staff updated process and procedures as part of joint review with system provider.	Reviewed by staff and System provider personnel. One pay item updated to reflect correct ATO reporting code. New monthly sheet is being created.	Complete	
29	Needing Improvement	* Workforce Plan currently under review	That the CEO place a priority on the review of the Workforce Plan.	Review commenced and scheduled to complete by June 2023.		In Progress	30-Jun-23
30	Needing Improvement	* Schedule of the Fees and Charges includes GST for CHSP and HCP - they do not attract GST		Duplication Finding - refer to findings 4 & 6. DHC staff is addressing the changes in the Schedule of Fees and Charges as part of new changes by Government as at 1 January 2023.		In Progress	30-Jun-23
32	Needing Improvement	*Internal Control Evaluation	That the CEO prepare a report for Council to consider what action, if any, needs to be taken to address the findings and weaknesses identified in relation to the Internal Control Evaluation.	All identified internal controls will be addressed and implemented as part of the findings and recommendations provided. Majority already been completed during the review as well as part of continuous improvement by staff and internal audit conducted in March 2021.		In Progress	31-Dec-23

Duplicated Findings
Duplicated Findings
Duplicated Findings

Contents

INTRODUCTION	2
1.0 RISK MANAGEMENT	4
Review Area 1.1 – Effective Risk Management System	4
Review Area 1.2 – Material Operating Risks	4
Review Area 1.3 – Business Continuity Plan	5
Review Area 1.4 – Assessing Internal Processes (Non-Compliance)	5
Review Area 1.4A – Assessing Internal Processes (Litigation and Claims)	6
Review Area 1.4B – Assessing Internal Processes (Misconduct, Fraud & Theft) ..	7
Review Area 1.4C – Assessing Internal Processes (Business Risks)	8
Review Area 1.5 – Risk Reports	8
Review Area 1.6 – Assessing Adequacy of Risk	9
Review Area 1.7 – Internal Control Systems	9
Review Area 1.8 – Assessing Transactional Risk	10
Review Area 1.9 – Assessing Procurement Framework	11
Review Area 1.10 – Risk Control Changes	12
Review Area 1.11 – Fraud and Misconduct Risk	16
2.0 INTERNAL CONTROLS	17
Review Area 2.1 – Separation of Roles	17
Review Area 2.2 – Approval Control	17
Review Area 2.3 – Direct Physical Access	18
Review Area 2.4 – Limit Access of Changes	18
Review Area 2.5 – Maintenance and Review	19
Review Area 2.6 – Comparison and Analysis	19
Review Area 2.7 – Approval of Financial Payments	19
Review Area 2.8 – Comparison of Physical Cash and Inventory	20
3.0 LEGISLATIVE COMPLIANCE	21
Review Area 3.1 – Review and Report of CAR	21
Review Area 3.2 – Monitoring and Recommending Compliance Change	21
Review Area 3.3 – Complaint Procedures	22
Review Area 3.4 – Adverse Trends	22
Review Area 3.5 – Management Disclosures	23
Review Area 3.6 – Compliance Framework Monitoring	23
Review Area 3.7 – Audit Committee Compliance	24
SUMMARY	26

INTRODUCTION

Regulation 17 of the *Local Government (Audit) Regulations* 1996 requires the Chief Executive Officer to review the appropriateness and effectiveness of the Council's systems and procedures as they relate to the following areas:

- Risk Management;
- Internal Controls; and
- Legislative Compliance.

The review may relate to any or all the matters in sub-regulation (1)(a), (b) and (c), however, each of those matters is to be subject of a review not less than every 3 financial years.

The Shire last review was in December 2019 and adopted by Council at its Meeting (CMRef 0310). This review covers the reporting period January 2020 to December 2022.

This report has been completed in accordance with that Regulation and details of the findings from the review are listed with Actions and Recommendations by the CEO for improvements.

The review aims to establish an ongoing level of accountability to ensure that Council's risk management, internal controls and legislative compliance is appropriate and effective.

The review undertaken looked at:

- Potential causes of risk to Council within each of the above areas;
- The key controls which currently exist to mitigate the risk;
- An assessment of the quality of the controls; and
- An overall assessment of the risk rating for the area.

The Department of Local Government, Sport & Cultural Industries provides an operational guideline (No. 9) which focuses on audit committees. As part of the guideline, appendix 3 provides a framework for Chief Executive Officers in conducting the required Regulation 17 review. This guideline has been used as the basis for undertaking this review.

1.0 RISK MANAGEMENT

Review Area 1.1 - Effective Risk Management System	Reviewing whether the local government has an effective risk management system
Officer Comment	The bi-annual review of the Risk Management Framework and Policy 2.2 Risk Management was carried and presented to the Audit & Risk Committee in March 2022 (Ref 0568).
Key Actions Implemented since 2019 Review	Introduction of risk implications that align with adopted risk profiling in Ordinary Council Meeting agendas and minutes.
Assessment	Appropriate
Recommended Further Action	Continue bi-annual review of Risk Management Framework. Continue bi-annual review of Policy 2.2 - Risk Management Policy. Continue quarterly reporting to the Audit & Risk Committee and Council on the Risk Dashboard Profiling Maxtix. Review profile key performance indicators.
Supplementary Documents	Risk Management Framework - March 2022 Policy 2.2 - Risk Management Policy Risk Dashboard Profiling Matrix & Report - September 2022

Review Area 1.2 - Material Operating Risks	Reviewing whether the material operating risks to the local government are appropriately considered
Officer Comment	The Shire of Dowerin maintains the adopted 'Three Lines of Defence' model for the management of risk. This model ensures responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. Operating within the approved risk appetite and framework, Council, management, and the community will have assurance that risks are managed effectively to support the delivery of the Strategic and Service Plans.
Key Actions Implemented since 2019 Review	Risk Management Framework reviewed by the Audit & Risk Committee March 2022 (Ref 0568).
Assessment	Appropriate
Recommended Further Action	Review Risk Management Framework to appropriateness every two years.
Supplementary Documents	Risk Management Framework - March 2022

Review Area 1.3 - Business Continuity Plan		Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time
Officer Comment	The Business Continuity Plan (BCP) was developed to ensure the capability of the Shire of Dowerin to continue to deliver its services at an acceptable level following a disruptive incident or disaster. The BCP reinforces, and is reinforced by, the Shire's Risk Management Framework and Risk Management Policy.	
Key Actions Implemented since 2019 Review	The Business Continuity Plan was adopted by Council in March 2020 (CMRef 0164) and implemented due to COVID 19 on 20 March 2020. A review of the Business Continuity Plan was carried out in July 2022 and presented to the Audit & Risk Committee in August 2022 (Ref 0636).	
Assessment	Appropriate	
Recommended Further Action	Consider testing the BCP in terms of IT/Records/Building loss.	
Supplementary Documents	Business Continuity Plan	

Review Area 1.4 - Assessing Internal Processes (Non-Compliance)		Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly potential non-compliance with legislation, regulations and standards and local government's policies
Officer Comment	<p>The Shire of Dowerin's Risk Management Framework, Risk Management Policy and relevant procedures clearly identify the risks associated with internal processes.</p> <p>Council Policy 2.2 - Risk Management outlines the definition of risk, risk management objectives, roles and responsibilities, risk assessment and acceptance criteria, monitoring and review.</p> <p>Councils' risk themes outlined in the Risk Management Framework document in detail all such risks and the Shire is improving processes and structures to mitigate and or minimise potential adverse effects, both financial and other.</p> <p>The organisation's Governance Calendar assists management and staff to quickly identify due dates for all statutory, legislation and compliance requirements.</p> <p>The Code of Conduct Council, Committee Members and Candidates sets out general principles to guide the behaviour of council members, committee members and candidates.</p> <p>The Shire's Code of Conduct provides employees with consistent guidelines for the standards of professional conduct expected of them in carrying out their functions and responsibilities.</p> <p>Policy 7.9 - Work Health Safety commits to achieving zero harm to all stakeholders whether internal or external, when engaged in any capacity with the Shire. The Shire understands and accepts responsibilities imposed under Work Health and Safety legislation and is committed to providing healthy and safe working conditions.</p>	

	Council's Occupational Safety and Health Management Plan 2018 assists the Shire in providing a safe workplace. The Plan follows the layout of the Australian New Zealand Standard AS/NZ4801,
Key Actions Implemented since 2019 Review	The Code of Conduct for Council, Committee Members and Candidates was adopted in March 2021 (CMRef 0396). Risk Management Framework reviewed by the Audit & Risk Committee March 2022 (Ref 0568). The Employee Code of Conduct was reviewed in July 2022. Policy 7.9 - Work Health Safety was reviewed in December 2022 (CMRef 0713).
Assessment	Appropriate
Recommended Further Action	Continue to carry out reviews of Code of Conducts and Risk Management Framework every 2 years. Carry out comprehensive review of Council's Occupational Safety and Health Management Plan 2018 to ensure appropriateness and alignment with the <i>Work Health and Safety Act 2020, Work Health and Safety (General) Regulations 2022 and Australian Standard AS 4801.</i>
Supplementary Documents	Policy 7.9 - Work Health Safety

Review Area 1.4A - Assessing Internal Processes (Litigation and Claims)	Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly litigation and claims
Officer Comment	The Shire's Risk Dashboard profile 'Supplier/Contract Management' has an overall control rating of 'adequate' and overall risk rating of 'moderate'. The Shire's Risk Dashboard Profile includes Control Assurance - Fraud. Ratings for Fraud include: <ul style="list-style-type: none"> • No • Yes • Partial The following risk profiles and key controls rate Control Assurance - Fraud as Yes or Partial: 'Supplier/Contract Management' rates key control Financial Management Framework is partially open to fraud. The likelihood measure for fraud is rated unlikely (2).
Key Actions Implemented since 2019 Review	The Shire's Risk Dashboard Profiling Tool was reviewed in December 2020 to include Control Assurance to rate the effectiveness of the identified key controls in alignment with the Risk Management Framework. The Control Assurance considers the effectiveness of the identified key controls and considers three perspectives: <ul style="list-style-type: none"> • The design effectiveness of each key control • The operating effectiveness of each key control • The overall effectiveness of each key control The Control Assurance considers the effectiveness <ul style="list-style-type: none"> • Key Control documented • Key Control completed • Key Control accurate

	<ul style="list-style-type: none"> • Key Control timely • Key Control open to fraud
Assessment	Appropriate
Recommended Further Action	Develop centralised contract management system. Review key performance indicators to ensure KPI's are a quantifiable measure that helps the Shire track progress towards achieving key objectives.
Supplementary Documents	Risk Dashboard Profiling Matrix Report - September 2022

Review Area 1.4B - Assessing Internal Processes (Misconduct, Fraud & Theft)	
Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly misconduct, fraud and theft.	
Officer Comment	<p>The Shire's Risk Dashboard profiles 'External Theft & Fraud' and 'Misconduct' has an overall control rating of 'adequate' and overall risk rating of 'moderate'.</p> <p>The Shire's Risk Dashboard profile includes Control Assurance - Fraud. Ratings for Fraud include:</p> <ul style="list-style-type: none"> • No • Yes • Partial <p>The following risk profiles and key controls rate Control Assurance - Fraud as Yes or Partial:</p> <p>'External Theft & Fraud' rates key controls Delegation Register and Segregation of Duties to be partially open to fraud. The likelihood measure for fraud is rated unlikely (2).</p> <p>'Misconduct' rates several key controls to be partially open to fraud and theft. The likelihood measure for fraud is rated unlikely (2).</p>
Key Actions Implemented since 2019 Review	<p>The Shire's Risk Dashboard Profiling Tool was reviewed in December 2020 to include Control Assurance to rate the effectiveness of the identified key controls in alignment with the Risk Management Framework. The Control Assurance considers the effectiveness of the identified key controls and considers three perspectives:</p> <ul style="list-style-type: none"> • The design effectiveness of each key control • The operating effectiveness of each key control • The overall effectiveness of each key control <p>The Control Assurance considers the effectiveness</p> <ul style="list-style-type: none"> • Key Control documented • Key Control completed • Key Control accurate • Key Control timely • Key Control open to fraud
Assessment	Appropriate
Recommended Further Action	Review key performance indicators to ensure KPI's are a quantifiable measure that helps the Shire track progress towards achieving key objectives.
Supplementary Documents	Risk Dashboard Profiling Report - September 2022

Review Area 1.4C - Assessing Internal Processes (Business Risks)	Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly specific business risks, recognising responsibility for general or specific risk areas and how they are managed by the local government.
Officer Comment	<p>Key indicators are used for monitoring and validating key risks and controls. The following describes the process for the creation of reporting of key indicators;</p> <ul style="list-style-type: none"> • Identification • Validity of source • Tolerances • Monitor and review <p>Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over 3 levels;</p> <ul style="list-style-type: none"> • Green - within appetite; no action required • Amber - the key indicator must be closely monitored, and relevant actions set and implemented to bring the measure back within the green tolerance. • Red - outside risk appetite, the key indicator must be escalated to the CEO and DCEO where appropriate management actions are to be set and implemented to bring the measure back within appetite. <p>All active active key indicators are updated as per their stated frequency of the data source.</p>
Key Actions Implemented since 2019 Review	Key indicators forms part of the quarterly Shire's Risk Dashboard Report.
Assessment	Appropriate
Recommended Further Action	Review key indicators, validity of sources and tolerances to ensure appropriateness and effectiveness.
Supplementary Documents	Risk Management Framework - March 2022

Review Area 1.5 - Risk Reports	Obtaining regular risk reports which identify key risks, the status and effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported.
Officer Comment	Risk Dashboard quarterly reporting is presented to the Audit & Risk Committee and Council.
Key Actions Implemented since 2019 Review	Ordinary Council Meeting agendas and minutes include risk implications aligned with adopted risk profiling
Assessment	Appropriate
Recommended Further Action	<p>Business cases and project plans to include risk assessments aligned with the Risk Management Framework.</p> <p>Review key indicators for appropriate and effectiveness against the criteria outlined in the Risk Management Framework.</p>
Supplementary Documents	Risk Dashboard Profiling Matrix and Reporting Tool

Review Area 1.6 - Assessing Adequacy of Risk	Assessing the adequacy of the local government's processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.
Officer Comment	<p>The Shire of Dowerin has comprehensive insurance cover through Council's insurance broker, LGIS.</p> <p>LGIS presents an annual renewal report - scheme and non-scheme. The reports detail the renewal terms for the LGISWA Scheme Membership. These reports are referred to as part of the annual review for insurance.</p> <p>External valuations based on replacement values and adjusted accordingly.</p> <p>The Shire of Dowerin consults with LGIS to discuss matters on an ongoing basis and professional consultation is readily available. Through LGIS, resources and procedures are provided to assist processing the management of insurable risks.</p>
Key Actions Implemented since 2019 Review	<p>The following assets classes were inspected and valued by external valuers to determine the fair value and insurance value of each specified asset class:</p> <p>Land and Buildings - June 2022 Other Infrastructure (Drainage) - June 2020 Other Infrastructure (Footpaths) - June 2020 Other Infrastructure (Parks and Ovals) - June 2020 Other Infrastructure (Sewerage) - June 2022 Other Infrastructure (Other) - June 2022 Infrastructure (Roads) - June 2020</p>
Assessment	Appropriate
Recommended Further Action	<p>Continue to review insurance to ensure the Shire retains appropriate cover.</p> <p>Conduct annual desk-top valuation assessments in accordance with <i>17A(4) of the Local Government (Financial Management) Regulations 1996</i>.</p>
Supplementary Documents	<p>Shire of Dowerin Insurance Renewal Report 2022-2023</p> <p>Shire of Dowerin Insurance Non-Scheme Renewal Report 2022-2023</p>

Review Area 1.7 - Internal Control Systems	Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors.
Officer Comment	<p>The Shire of Dowerin's internal control systems is reviewed and tested at regular intervals by the Management Team and annually by Council's External Auditors who conduct an interim and final audit.</p> <p>The Audit recommendation for the year ending 30 June 2022 audit findings provided recommendations that Management have considered and actioned.</p> <p>The Shire of Dowerin has completed the Compliance Audit Return for each reporting period. The CAR's identified non-compliant areas:</p> <ul style="list-style-type: none"> • 2021 CAR - 3 non-compliant areas • 2020 CAR - 3 partial non-compliant areas • 2019 CAR - 3 non-compliant areas

	<p>The Shire of Dowerin's Audit & Risk Committee Terms of Reference accommodates the appointment of external members. The current Audit & Risk Committee includes two external members.</p> <p>Actioning recommendations of the Financial Management System undertaken by an external auditor in December 2022 is progressing.</p>
Key Actions Implemented since 2019 Review	<p>The Audit & Risk Committee Terms of Reference was reviewed in 2020</p> <p>An comprehensive internal review was conducted in early 2021. The overarching objectives of the audit was o evaluate the Shire's systems of internal control over the identified four points of Council's November 2020 reso9lution (CMRef 0305) in order to provide assurance that:</p> <ol style="list-style-type: none"> 1. The Shire is achieving its goals and objectives efficiently, effectively and in an ethical manner; 2. Financial and operating information produced is accurate, timely and complete; 3. There is compliance with relevant laws regulations and other external requirements and with policies, protocols and other internal requirements; and 4. The Shire's assets and liabilities are competently managed and protected against loss or other negative consequences. <p>The Internal Audit Report 2021 was received by the Audit & Risk Committee in April 2021 (Ref 0402).</p> <p>The Annual Compliance Return was adopted and submitted for the 2019, 2020 and 2021 reporting periods.</p> <p>An external review of the Financial Management System took place in December 2022.</p>
Assessment	Appropriate
Recommended Further Action	<p>Finalise actioning recommendations of the Financial Management System undertaken.</p> <p>Review the Audit & Risk Committee Terms of Reference for appropriateness and effectiveness.</p>
Supplementary Documents	Nil

Review Area 1.8 - Assessing Transactional Risk	Assessing whether Management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk.
Officer Comment	<p>The Shire's Delegation Register clearly defines power of delegation, delegated duty, delegated to, sub-delegation, functions, and conditions.</p> <p>Notification of Delegations from the President to the CEO is provided in accordance with the <i>Local Government Act 1995, Section 5.42(2)</i>.</p> <p>Notification of Delegations from the CEO to employees is provided to offer guidance to those with delegated authority in carrying out delegated dutire as required and in accordance with the <i>Local Government Act 1995, Section 5.44(2)</i>.</p>

<p>Key Actions Implemented since 2019 Review</p>	<p>The Delegation Register was reviewed in;</p> <ul style="list-style-type: none"> • December 2022 • November 2021 • May 2020 • June 2019 <p>Notification of Delegation from the President to the CEO was provided in:</p> <ul style="list-style-type: none"> • 2019 <p>Notification of Delegation from the CEO to employees was provided in:</p> <ul style="list-style-type: none"> • 2021 • 2020 • 2019
<p>Assessment</p>	<p>Appropriate</p>
<p>Recommended Further Action</p>	<p>Include the requirement for the President to provide Notification of Delegation to the CEO in the Compliance Calendar.</p> <p>Include the requirement for the CEO to provide Notification of Delegation to employees in the Compliance Calendar.</p>
<p>Supplementary Documents</p>	<p>Delegation Register</p>

<p>Review Area 1.9 - Assessing Procurement Framework</p>	<p>Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.</p>
<p>Officer Comment</p>	<p>The Shire of Dowerin is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. The purchasing policy ensures that;</p> <ul style="list-style-type: none"> • best practice policies and procedures are followed in relation to internal purchasing for the Shire of Dowerin; • compliance with the <i>Local Government Act 1995</i> and the <i>Local Government Act (Function and General) Regulations 1996</i>; • compliance with the <i>State Records Act 2000</i> and associated record management practices and procedures of the Shire of Dowerin; • purchasing processes are followed that ensure value for money for the Shire of Dowerin by delivering the most advantageous outcome possible; • openness, transparency, fairness and equity through the purchasing process to all potential suppliers; and • efficient and consistent purchasing processes are implemented and maintained across the organisation. <p>The Shire of Dowerin also utilised the services of WALGA's Preferred Suppliers Panel in conjunction with the WALGA eQuotes system thus negating the requirement to call tenders notwithstanding the transaction value.</p> <p>Council Policy 4.11 - Purchasing Policy was last reviewed in June 2018 and outlines the objectives to ensure all purchasing activities are compliant.</p>

	<p>Council Policy 4.15 - Regional Price Preference Policy is designed to stimulate activity and growth within the Shire of Dowerin and the surrounding region by maximising the use of competitive local businesses in the supply of good and/or services purchased or contracted on behalf of the Shire of Dowerin.</p> <p>The findings identified during the interim audit for the year ended 30 June 2019 included the following:</p> <ul style="list-style-type: none"> • purchasing and payment procedures; • payroll exceptions; • reconciliation of investment balances and fixed assets; • review of month-end reconciliation; • receivable master file; and • invoice and credit note request forms. <p>The recruitment of an experienced local government practitioner to fulfil the position of Manager Corporate and Community Services in early June 2019 has assisted with addressing the issues raised by the Auditor.</p> <p>There is a lack of comprehensive, documented checklists and procedures. There is currently a key focus to develop adequate processes that are centralised.</p>
Key Actions Implemented since 2019 Review	A full review of the Procurement Policy Framework is currently underway to improve the purchasing process for Council.
Assessment	Appropriate
Recommended Further Action	Full review of the Procurement processes and framework to be undertaken.
Supplementary Documents	Policy 4.11 - Purchasing Policy Employee Code of Conduct

Review Area 1.10 - Risk Control Changes	Meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment.
Officer Comment	<p>The Audit and Risk Committee consists of 3 Elected Members and 2 External Member. The role and responsibilities of the Committee include:</p> <p>External Audits</p> <ol style="list-style-type: none"> 1. Provide guidance and assistance to Council as to the carrying out of the functions of the Shire in relation to external audits. 2. Provide an opportunity for the Committee to meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed. 3. Meet with the auditor annually to receive the audit report and make a recommendation to Council with respect to that report. 4. Examine the reports of the auditor after receiving a report from the CEO on the matters to:

- a. Determine if any matters raised require action to be taken by the Shire; and
 - b. Ensure that appropriate action is taken in respect of those matters.
5. Consider and recommend adoption of the Annual Report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the Annual Report is signed.
 6. Address issues brought to the attention of the Committee, including responding to requests from Council for advice that is within the parameters of the Committee's Terms of Reference.

Internal Audits

1. Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to internal audits.
2. Review and recommend the annual internal audit plan for endorsement by the Council and all major changes to the plan. Monitor that the internal auditor's annual plan is linked with and covers the material business strategic risks and themes.
3. Monitor processes and practices to ensure that the independence of the internal audit function is maintained.
4. Annually review the performance of internal audits including the level of satisfaction with the internal audit function.
5. Review all internal audit reports and provide advice to Council on significant issues (i.e. high and extreme) identified in audit reports and the action to be taken on issues raised, including identification and dissemination of good practice.
6. Monitor management's implementation of internal audit recommendations.
7. Receive the findings of special internal audit assignments undertaken at the request of Council or CEO.
8. Review the annual Compliance Audit Return and report to Council the results of that review in accordance with Section 7.13(1)(i) of the *Local Government Act 1995*.
9. Consider the CEO's Biennial Reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to Council the results of those reviews in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*.
10. Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
11. Consider the financial management systems and procedures in accordance with Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* within the statutory timeframes.

Risk Management

1. Ensure that management has in place a current and comprehensive enterprise Risk Management Framework and associated procedures for effective identification and management of Shire's business and financial risks.
2. Determine whether a sound and effective approach has been followed in managing the Shire's major risks

including those associated with individual projects, program implementation, and activities.

3. Ensure the Shire identifies, reviews and regularly updates the strategic and operational risk profiles.
4. Understand and endorse the Shire's risk appetite.
5. Oversee the periodic review of the Risk Management Framework.

Business Continuity

1. Ensure a sound and effective approach has been followed in establishing the Shire's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.
2. Oversee the periodic review of the Business Continuity Framework.

Financial Reporting

1. Review significant accounting and reporting issues, recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
2. Review with management and the external auditors the results of the audit, including any difficulties encountered.
3. Review the Annual Financial Statements forming part of the Shire's Annual Report and consider whether it is complete, consistent with information known to Committee members, and reflects appropriate accounting principles.
4. Review with management and the external auditors all matters required to be communicated to the Committee under the Australian Auditing Standards.
5. Recommend the adoption of the Annual Financial Statements forming part of the Annual Report to Council.

Internal Control

1. Ensure management's approach to maintaining an effective Internal Control Framework is sound and effective.
2. Ensure management has in place relevant policies and procedures, including CEO's Instructions or their equivalent, and that these are periodically reviewed and updated.
3. Ensure appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
4. Ensure appropriate policies and supporting procedures are in place for the management and exercise of delegations.
5. Review how management identifies any required changes to the design or implementation of key internal controls.

Fraud and Corruption Prevention

1. Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
2. Receive and consider information and advice presented by the CEO on the strategies and controls to manage fraud and corruption risks at the Shire.

	<p>3. Provide oversight over the Shire's exposure and issues raised in relation to fraud and corruption.</p> <p>Legislative Compliance</p> <p>1. Oversee the effectiveness of the systems for monitoring compliance with relevant laws, regulations and associated government policies.</p> <p>Other Responsibilities</p> <p>1. Monitor the progress of the implementation of external audit recommendations made by the auditor, which have been accepted by the Shire.</p> <p>2. Receive recommendations arising from reviews of local government systems and procedures.</p> <p>3. At least once every two years review and assess the adequacy of the Committee's Terms of Reference, request Council approval for proposed changes, and ensure appropriate disclosure as required by legislation or regulation.</p>
<p>Key Actions Implemented since 2019 Review</p>	<p>The Audit & Risk Committee have met on 13 occasions since the last Regulation 17 review:</p> <p>2022 March 8 April 20 August 2 December 13</p> <p>2021 January 19 March 15 April 20 July 19 September 23 December 21</p> <p>2020 March 17 July 21 October 28</p> <p>The Audit & Risk Committee Chair and Management has participated in the exit meeting with Council's Auditor conducted upon the conclusion of the audited report via teleconference or video link.</p> <p>Receipt of the Interim Management Report was received by the Audit & Risk Committee and discussing</p>
<p>Assessment</p>	<p>Appropriate</p>
<p>Recommended Further Action</p>	<p>Review the Audit & Risk Committee Terms of Reference to ensure appropriateness and effectiveness.</p>
<p>Supplementary Documents</p>	<p>Audit & Risk Committee Terms of Reference</p>

Review Area 1.11 - Fraud and Misconduct Risk	Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated and monitored and there is regular reporting and ongoing management of fraud and misconduct risks.
Officer Comment	<p>The Shire's Risk Dashboard Profiling Tool includes Control Assurance to rate:</p> <ul style="list-style-type: none"> • Key Control documented • Key Control completed • Key Control accurate • Key Control timely • Key Control open to fraud <p>The Control Assurance considers the effectiveness of the identified key controls and considers three perspectives:</p> <ul style="list-style-type: none"> • The design effectiveness of each key control • The operating effectiveness of each key control • The overall effectiveness of each key control <p>The Control Assurance component of the profiling tool is re-evaluated as part of the overall Risk Dashboard quarterly review.</p>
Key Actions Implemented since 2019 Review	<p>The Shire's Risk Dashboard Profiling Matrix and Reporting Tool was reviewed in December 2020 to include Control Assurance to rate the effectiveness of the identified key controls in alignment with the Risk Management Framework.</p> <p>The Risk Dashboard Profiling Matrix and Reporting Tool is monitored and reviewed quarterly. Quarterly Reports are provided to the Audit & Risk Committee to be received and presented to Council for adoption.</p>
Assessment	Appropriate
Recommended Further Action	Management to share risk profile responsibilities with relevant staff.
Supplementary Documents	Risk Dashboard Profiling Matrix and Reporting Tool

2.0 INTERNAL CONTROLS

Review Area 2.1 - Separation of Roles	Separation of roles and functions, processing, and authorisation.
Officer Comment	<p>Appropriate separation of roles and functions for processing and authorisation include;</p> <ul style="list-style-type: none"> • Debtors and Creditors • Payroll • Receipting • Rates • Banking • Electronic payments and transfers • Health • Planning • Building
Key Actions Implemented since 2019 Review	<p>Improved policies and procedures have been updated and implemented since 2019 as well as staff awareness through staff training undertaken.</p> <p>Since the 2019 review, interim audits have also been conducted by the Shire's Auditors that have also contributed in tightening the segregation process of duties.</p>
Assessment	Appropriate
Recommended Further Action	Updating of templates and processes on approvals.
Supplementary Documents	Interim Audit Management Report

Review Area 2.2 - Approval Control	Control of approval of documents, letters and financial records.
Officer Comment	<p>The Shire of Dowerin's Recordkeeping Plan (RKP2008069) objectives are to ensure;</p> <ul style="list-style-type: none"> • Compliance with Section 28 of the <i>State Records Act 2000</i>; • Recordkeeping within the Shire of Dowerin is moved towards compliance with the State Records Commission Standards and Records Management Standard AS ISO 15489; • Processes are in place to facilitate the complete and accurate record of business transaction and decisions; • Recorded information can be retrieved quickly and accurately when required; and • Protection and preservation of the Shire of Dowerin's records. <p>Council Policy 2.4 - Information Management objectives are to:</p> <ul style="list-style-type: none"> • To ensure that the Shire of Dowerin meets the statutory requirements of the <i>State Records Act 2000</i>; • To ensure uniformity and consistency for the creation and maintenance of records withing the management systems within the Shire of Dowerin;

	<ul style="list-style-type: none"> Define the roles and responsibilities of those Officers who manage and perform record keeping processes for, or on the behalf of, the Shire of Dowerin. <p>The Shire of Dowerin maintains a digital information management system, utilising Sharepoint, part of Office 365, which is designed to accommodate all statutory and industry requirements for superior recordkeeping.</p> <p>All financial transactions are traceable and recorded through Council's application software suite, SynergySoft. Monthly statutory financial reports are provided to Council.</p>
Key Actions Implemented since 2019 Review	A review of the RKP was finalised in September 2022 and submitted to the State Records Office of WA for assessment. The RKP was registered with the State Records Office of WA and assigned a new number (RKP 2022025).
Assessment	Appropriate
Recommended Further Action	Review Policy 2.4 - Information Management Policy
Supplementary Documents	Nil

Review Area 2.3 - Direct Physical Access Limit of direct physical access to assets and records.	
Officer Comment	Compactus open Safes open during the day Key cabinet open during the day Fuel control @ Depot
Key Actions Implemented since 2019 Review	Improved fuel system implemented to control the issue of fuel stock. Key register in place to monitor and control utilisation of keys.
Assessment	Appropriate
Recommended Further Action	Monthly reconciliation of fuel and other stock control needs to be done regularly for consistency.
Supplementary Documents	Financial Management Review Report - November 2022

Review Area 2.4 - Limit Access of Changes Limit access to make changes in data files and systems.	
Officer Comment	The Shire's IT Infrastructure has been rapidly improved since 2019 with an upgraded server, backup and malware systems, 3 tier redundancy system and software applications including a strong security processing framework. The security permissions allocated to staff (new or existing) are very robust with a streamlined approval system between management and external IT support providers.
Key Actions Implemented since 2019 Review	Improved IT Infrastructure and security permissions supported by external IT providers.
Assessment	Appropriate
Recommended Further Action	Update IT framework and policy including an IT Disaster Recovery Plan.
Supplementary Documents	Financial Management Review Report - November 2022

Review Area 2.5 - Maintenance and Review		Regular maintenance and review of financial control accounts and trial balances.
Officer Comment	As part of end of month and end of year processes, staff are required to ensure review and balancing of all relevant account are completed including maintaining data within the controlled accounts.	
Key Actions Implemented since 2019 Review	As part of a continuous improvement process within the financial environment, staff are reviewing and updating all current policies and procedures to ensure quality checks are in place as part of the end of month and year processes.	
Assessment	Appropriate	
Recommended Further Action	Review and implement Financial Management Policy and Procedure	
Supplementary Documents	Nil	

Review Area 2.6 - Comparison and Analysis		Comparison and analysis of financial results with budgeted amounts.
Officer Comment	Monthly and Annual Financial Statements are prepared and presented to Council and are audited by the OAG.	
Key Actions Implemented since 2019 Review	An improved reporting framework for monthly financials was introduced in 2022-2023 with the continuous improvement on annual and mid-year budget reviews.	
Assessment	Appropriate	
Recommended Further Action	Review and implement Financial Management Policy and Procedures	
Supplementary Documents	Nil	

Review Area 2.7 - Approval of Financial Payments		Report, review and approval of financial payments and reconciliations.
Officer Comment	<p>Accounts Payable functions have been improved by staff and management since 2019 and from recent annual and interim audits.</p> <p>Improvements consisted of redeveloping the approval and review processes on procurement and payment functions by management. This allowed for minimal error on processing payment by the accounts officer as well as ensuring procurement processes are adhered to Council's Procurement Policy.</p> <p>As part of end of month processes, reconciliations are completed in accordance to financial audited requirements.</p> <p>There is a legislative reporting requirement that requires the CEO to report monthly the list of payments to Council, ensuring transparency and integrity on all payments made.</p>	

Key Actions Implemented since 2019 Review	Updated policy, procedures and reporting requirements to improve transparency, ethical and integrity processes for Council.
Assessment	Appropriate
Recommended Further Action	Continuous improvement on duties and responsibilities of staff.
Supplementary Documents	Financial Management Review Report - November 2022

Review Area 2.8 - Comparison of Physical Cash and Inventory	Comparison of the result of physical cash and inventory counts with accounting records.
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Officer Comment	<p>In recent years, stock control has been an issue with reconciling physical stock (including cash) with the current accounting records.</p> <p>Management has identified these areas and have put in place improvements on physical stock control by implementing an electronic fuel system to measure the receiving and issuing of fuel. This also allowed for accurate reporting from the system to our accounting record system during monthly reconciliations.</p> <p>Physical cash reconciliation has improved since 2019 due to the regular recoup of physical cash to accounting system.</p>
Key Actions Implemented since 2019 Review	Implemented electronic fuel system and regular reconciliations of physical stock to accounting records.
Assessment	Appropriate
Recommended Further Action	Update of financial procedures to coincide with new and updated systems.
Supplementary Documents	Financial Management Review Report - November 2022

3.0 LEGISLATIVE COMPLIANCE

Review Area 3.1 - Review and Report of CAR	Reviewing the annual Compliance Audit Return and reporting to Council the results of that review.
Officer Comment	The Compliance Audit Return is presented to the Audit & Risk Committee and received by Council with accordance the statutory requirements.
Key Actions Implemented since 2019 Review	Audit & Risk Committee recommend for Council to adopt the 2019 Compliance Audit Return in March 2020 (Ref 0151). Audit & Risk Committee recommend for Council to adopt the 2020 Compliance Audit Return in March 2021 (Ref 0388). Audit & Risk Committee recommend for Council to adopt the 2021 Compliance Audit Return in March 2022 (Ref 0573).
Assessment	Appropriate
Recommended Further Action	Nil
Supplementary Documents	Compliance Audit Return 2021

Review Area 3.2 - Monitoring and Recommending Compliance Change	How management is monitoring the effectiveness of its compliance and making recommendations for change as necessary.
Officer Comment	The Shire's Compliance Calendar is the tool Management utilises to monitor compliance requirements and is a standing item on the Management Meeting Agenda conducted fortnightly. The Shire is required to carry out a compliance audit relating to the prescribed statutory requirements in <i>Regulation 13 of the Local Government (Audit) Regulations 1996</i> .
Key Actions Implemented since 2019 Review	Audit & Risk Committee recommend for Council to adopt the 2019 Compliance Audit Return in March 2020 (Ref 0151). Audit & Risk Committee recommend for Council to adopt the 2020 Compliance Audit Return in March 2021 (Ref 0388). Audit & Risk Committee recommend for Council to adopt the 2021 Compliance Audit Return in March 2022 (Ref 0573).
Assessment	Appropriate
Recommended Further Action	Review appropriateness and effectiveness of Compliance Calendar.
Supplementary Documents	Compliance Calendar

Review Area 3.3 - Complaint Procedures	Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints.
Officer Comment	The Code of Conduct Council, Committee Members and Candidates outlines the process of dealing with complaint. Policy 7.5 - Grievances, Investigations and Resolution outlines the process of dealing with complaint.
Key Actions Implemented since 2019 Review	In February 2021 (CMRef 0372), Council authorised the Chief Executive Officer as an officer for the purposes of receiving complaints and withdrawals of complaints in accordance with new legislative requirements to Council, and the written form for such complaints, for consideration and, if satisfactory, authorisation. The Model Code of Conduct for Council, Committee Members and Candidates was adopted in March 2021 (CMRef 0396). Policy 7.5 - Grievances, Investigations and Resolution was reviewed in June 2022.
Assessment	Appropriate
Recommended Further Action	Review the Code of Conduct Council, Committee Members and Candidates every 2 years. Review Policy 7.5 - Grievances, Investigations and Resolution every 2 years.
Supplementary Documents	Model Code of Conduct Regulations, Explanatory Notes and Complaint Form Template (12.3A) Shire of Dowerin Complaint Form (12.3B) Policy 7.5 - Grievances, Investigations and Resolution

Review Area 3.4 - Adverse Trends	Obtaining assurance that adverse trends are identified and review Management's plans to deal with these issues.
Officer Comment	In accordance with the Shire's Risk Management Framework, the Audit & Risk Committee is to be provided with quarterly Risk Dashboard Reports. During the quarterly reporting process, management are required to review any risks within their area and follow up on controls and treatments/action that are mitigating those risks. Monitoring and reviewing of risks, controls and treatments also applies to any actions/treatments to come out of an internal audit. The audit report will provided recommendations that effectively are treatments for controls and risks that have been tested during an internal review.
Key Actions Implemented since 2019 Review	Quarterly Risk Dashboards Reports completed and provided to the Audit & Risk Committee.
Assessment	Appropriate
Recommended Further Action	Continue providing quarterly Risk Dashboards Reports completed and provided to the Audit & Risk Committee.
Supplementary Documents	Risk Dashboard Report - September 2022

Review Area 3.5 - Management Disclosures	Reviewing Management disclosures in financial reports of the effect of significant compliance issues.
Officer Comment	<p>In accordance with Section 7.9 of the <i>Local Government Act 1995</i>, an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, to prepare a report thereon and forward a copy of that report to:</p> <ol style="list-style-type: none"> 1. the Mayor or President; 2. the CEO of the local government; and 3. the Minister. <p>The Opinion Letter Annual Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of Council.</p> <p>Representatives from the OAG and the Auditor conduct the Exit Interview which discusses the Opinion Letter and other relevant matters with the President and Management.</p> <p>Management responds to the findings identified during the audit and treatments are included in the Risk Dashboard to be actioned.</p>
Key Actions Implemented since 2019 Review	<p>The Audit & Risk Committee accepted the 2021/22 Audited Financial Report in December 2022 (Ref 0699).</p> <p>The Audit & Risk Committee accepted the 2020/21 Audited Financial Report in December 2022 (Ref 0566).</p> <p>The Audit & Risk Committee accepted the 2019/21 Audited Financial Report in December 2019 (Ref 0121).</p>
Assessment	Appropriate
Recommended Further Action	Action identified treatments within the allocated timeline.
Supplementary Documents	Nil

Review Area 3.6 - Compliance Framework Monitoring	Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements.
Officer Comment	Currently there is no formal procedure in place for conducting Internal Audits.
Key Actions Implemented since 2019 Review	<p>A comprehensive internal review was conducted in early 2021. The overarching objectives of the audit was o evaluate the Shire's systems of internal control over the identified four points of Council's November 2020 resolution (CMRef 0305) in order to provide assurance that:</p> <ol style="list-style-type: none"> 1. The Shire is achieving its goals and objectives efficiently, effectively and in an ethical manner; 2. Financial and operating information produced is accurate, timely and complete; 3. There is compliance with relevant laws regulations and other external requirements and with policies, protocols and other internal requirements; and

	4. The Shire's assets and liabilities are competently managed and protected against loss or other negative consequences. The Internal Audit Report 2021 was received by the Audit & Risk Committee in April 2021 (Ref 0402).
Assessment	Appropriate
Recommended Further Action	Consider implementing a formal process for Internal Audits.
Supplementary Documents	Internal Audit Report 2021

Review Area 3.7 - Audit Committee Compliance	Complying with legislative and regulatory requirements imposed on Audit Committee members, including not misusing their position to gain an advantage for themselves or another, or to cause detriment to the local government and disclosing conflicts of interest.
Officer Comment	<p>Audit Regulation changes are brought to the attention of the Audit & Risk Committee as they arise. Audit & Risk Committee members are aware of their obligations in this regard.</p> <p>The Shire of Dowerin's Code of Conduct for Council, Committee Members and Candidates outlines for an acceptable standard of professional conduct. The Code of Conduct observes statutory requirements of the <i>Local Government Legislation Amendment Act 2019</i> (Amendment Act) were gazetted and took effect from 3 February 2021:</p> <ol style="list-style-type: none"> 1. <i>Local Government (Administration) Amendment Regulations 2021</i>; 2. <i>Local Government (Model Code of Conduct) Regulations 2021</i>; and 3. <i>Local Government Regulations Amendment (Employee Code of Conduct) Regulations 2021</i>. <p>The New Regulations bring into effect Sections 48-51 of the Amendment Act by introducing a mandatory code of conduct for council members, committee members and candidates.</p> <p>The Model CoC provide for:</p> <ol style="list-style-type: none"> 1. Overarching principles to guide behaviour; 2. Behaviours which are managed by local governments; and 3. Rules of conduct breaches which are considered by the Standards Panel. <p>The purpose of the Model CoC is to guide decisions, actions and behaviours The CEO must publish the Model CoC on the local government's official website as required by Section 5.104(7) of the Act.</p>
Key Actions Implemented since 2019 Review	<p>The <i>Local Government (Model Code of Conduct) Regulations 2021</i> (the New Regulations) was gazetted on 2 February 2021 and took effect on 3 February 2021.</p> <p>The Shire was required to adopt a Code of Conduct for Council Members, Committee Members and Candidates that incorporates the Model CoC within three months, in accordance with the new Section 5.104 of the <i>Local Government Act 1995</i> (the Act).</p> <p>Local governments were required to take specific initial actions within three weeks of the New Regulations taking</p>

	<p>effect (by 24 February 2021). Subsequently, Council considered the appointment of an officer for the purposes of receiving complaints and withdrawals of complaints, in accordance with Clause 11(3) of the Model CoC, and approved a complaint form in accordance with Clause 11(2)(a) at its February 2021 meeting (CMRef 0372).</p> <p>It is further expected that local governments adopt the Model CoC and any other procedures and processes required for implementation within three months from the New Regulations taking effect (by 3 May 2021).</p> <p>The Code of Conduct for Council, Committee Members and Candidates was adopted in March 2021 (CMRef 0396).</p>
Assessment	Appropriate
Recommended Further Action	It is recommended to review the Code of Conduct for Council, Committee Members and Candidates every 2 years.
Supplementary Documents	The Code of Conduct for Council, Committee Members and Candidates is available on the Shire of Dowerin's website.

SUMMARY

A summary of the Chief Executive Officer’s assessment against the review areas is as follows:

Topic	Review Area	Assessment	Number of Recommended Further Actions	Status	Expected Completion Date
Risk Management	1.1	Appropriate	4	Not Commenced	March 2024
	1.2	Appropriate	1	Not Commenced	March 2024
	1.3	Appropriate	1	Not Commenced	June 2024
	1.4	Appropriate	2	Not Commenced	March 2024
	1.4A	Appropriate	2	In Progress	March 2024
	1.4B	Appropriate	1	In Progress	March 2024
	1.4C	Appropriate	1	In Progress	March 2024
	1.5	Appropriate	2	In Progress	March 2024
	1.6	Appropriate	1	Not Commenced	June 2023
	1.7	Appropriate	2	In Progress	September 2023
	1.8	Appropriate	2	Not Commenced	December 2023
	1.9	Appropriate	1	In Progress	December 2023
	1.10	Appropriate	1	Not Commenced	September 2023
1.11	Appropriate	1	Not Commenced	June 2023	
Internal Controls	2.1	Appropriate	1	In Progress	December 2023
	2.2	Appropriate	1	Not Commenced	December 2023
	2.3	Appropriate	1	In Progress	June 2023

Topic	Review Area	Assessment	Number of Recommended Further Actions	Status	Expected Completion Date
	2.4	Appropriate	1	Not Commenced	December 2023
	2.5	Appropriate	1	In Progress	December 2023
	2.6	Appropriate	1	In Progress	December 2023
	2.7	Appropriate	1	In Progress	December 2023
	2.8	Appropriate	1	In Progress	December 2023
Legislative Compliance	3.1	Appropriate	0	Not Applicable	
	3.2	Appropriate	1	In Progress	December 2023
	3.3	Appropriate	2	Not Commenced	June 2023
	3.4	Appropriate	1	In Progress	Quarterly
	3.5	Appropriate	1	In Progress	As Required
	3.6	Appropriate	1	Not Commenced	December 2023
	3.7	Appropriate	1	Not Commenced	June 2023
Total Number of Recommended Further Actions			37		

Compliance Audit Return Form

Start ✓
Details ✓
Commercial Enterprises ✓
Delegation ✓
Disclosure of Interest ✓
Disposal of Property ✓
Elections ✓
Finance ✓
IPR ✓
Employees ✓
Conduct ✓
Other ✓
Tenders ✓
Documents ✓
Review

Finalise

Print

Details

Local Government

Dowerin, Shire of

Created By

Linley Dreghorn

Year of Return

2022

Status

Draft

Commercial Enterprises by Local Governments

1. Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? *

N/A

Add comments

Please enter comments *

No major business undertaking occurred during the reporting period.

2. Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? *

N/A

Add comments

Please enter comments *

No major business undertaking occurred during the reporting period.

3. Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? *

N/A

Add comments

Please enter comments *

No major business undertaking occurred during the reporting period.

4. Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022? *

N/A

Add comments

Please enter comments *

No major business undertaking occurred during the reporting period.

5. During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? *

N/A

Add comments

Please enter comments *

No major business undertaking occurred during the reporting period.

Delegation of Power/Duty

1. Were all delegations to committees resolved by absolute majority? *

Yes

Add comments

Please enter comments *

The Council has delegated by Absolute Majority to the Audit & Risk Committee only. Delegations were reviewed at the Ordinary Council Meeting held on 20 December 2022, Item 12.4 (CMRef 0714).

2. Were all delegations to committees in writing? *

Yes

Add comments

Please enter comments *

Register is available on the Shire website.

3. Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? *

Yes

Add comments

—

4. Were all delegations to committees recorded in a register of delegations? *

Yes

Add comments

Please enter comments *

Register is available on the Shire website.

5. Has council reviewed delegations to its committees in the 2021/2022 financial year? *

Yes

Add comments

Please enter comments *

Delegations were reviewed by Council on 16 November 2021 Item 12.1 CMRef 0520 and 20 December 2022, Item 12.4 (CMRef 0714).

6. Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? *

Yes

Add comments

—

7. Were all delegations to the CEO resolved by an absolute majority? *

Yes

Add comments

Please enter comments *

See Minutes 16 November 2021 Item 12.1 (CMRef 0520) and 20 December 2022, Item 12.4 (CMRef 0714).

8. Were all delegations to the CEO in writing? *

No

Add comments

—

9. Were all delegations by the CEO to any employee in writing? *

No

Add comments

—

10. Were all decisions by the Council to amend or revoke a delegation made by absolute majority? *

Yes

Add comments

Please enter comments *

On any occasion where delegations were reviewed or given during the year, minutes reflect that Council resolved by Absolute Majority refer to Minutes 20 December 2022, Item 12.4 (CMRef 0714).

11. Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? *

Yes

Add comments

Please enter comments *

Delegations made by the CEO or an employee are recorded and maintained under the one Delegations Register.

12. Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year? *

Yes

Add comments

Please enter comments *

The Delegations Register is reviewed by management and Council on a monthly basis as part of the Information Report.

13. Did all persons exercising a delegated power or duty under the Local Government Act 1995 keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996 regulation 19? *

Yes

Add comments

Please enter comments *

These are reported to Council on a monthly basis as part of the Information Report and recorded in the Delegation Register.

Disclosure of Interest

1. Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? *

Yes

Add comments

Please enter comments *

Declarations of Interest were made at the June, July and August Ordinary Council Meetings. On all occasions the minutes correctly recorded the nature of the interest with the action then required, being in accordance with the Act.

2. Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? *

Yes

Add comments

Please enter comments *

Refer to OCM Minutes:

21 June 2022 - Impartiality - Confidential Item 16.1

19 July 2022 - Proximity - Item 12.1

19 July 2022 - Impartiality - Confidential Item 16.1

3. Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made? *

Yes

Add comments

Please enter comments *

Refer to OCM Minutes:

21 June 2022 - Impartiality - Confidential Item 16.1

19 July 2022 - Proximity - Item 12.1

19 July 2022 - Impartiality - Confidential Item 16.1

4. Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? *

Yes

Add comments

Please enter comments *

Refer to Register of Returns on the Shire website.

5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? *

Yes

Add comments

Please enter comments *

Refer to Register of Returns on the Shire website.

6. On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? *

Yes

Add comments

7. Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? *

Yes

Add comments

Please enter comments *

Refer to Register of Returns on the Shire website.

8. Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? *

Yes

Add comments

Please enter comments *

The register is available on the Shire website

9. When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person? *

Yes

Add comments

Please enter comments *

Refer to the register on the Shire website

10. Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? *

Yes

Add comments

Please enter comments *

The hardcopy records are retained in the strongroom.

11. Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? *

Yes

Add comments

Please enter comments *

The register is available on the Shire website

12. Did the CEO publish an up-to-date version of the gift register on the local government's website? *

Yes

Add comments

Please enter comments *

The register is available on the Shire website

13. When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people? *

Yes

Add comments

Please enter comments *

The hardcopy records are retained in the strongroom.

14. Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? *

Yes

Add comments

Please enter comments *

The hardcopy records are retained in the strongroom.

15. Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? *

Yes

Add comments

Please enter comments *

Refer to OCM Minutes 19 July 2022 - Proximity - Item 12.1 - CBH Installation of Auger Pit and Conveyor Loading System DA

16. Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? *

N/A

Add comments

Please enter comments *

No applications were required to be made.

17. Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? *

N/A

Add comments

Please enter comments *

No applications were required to be made or reported.

18. Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? *

Yes

Add comments

Please enter comments *

Refer to OCM Minutes 16 March 2021 - Item 12.2 - CMRef 0396.

19. Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? *

N/A

Add comments

Please enter comments *

No additional requirements were adopted.

20. Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? *

Yes

Add comments

Please enter comments *

Available on the Shire website.

21. Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? *

Yes

Add comments

Please enter comments *

Available on the Shire website.

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? *

Yes

Disposal of Property

1. Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? *

N/A

Add comments

Please enter comments *

There were no occasions where the Shire of Dowerin disposed of property over the prescribed amount where a tender process was not used.

2. Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? *

Yes

Add comments

Please enter comments *

Local Public Notice was given for the disposal of the 2020 Hilux and 2020 Fortuner via Dowerin Despatch advert published 2 September 2022 and Farm Weekly advert published 25 August 2022.

Local Public Notice was given for the disposal of the 2005 Hilux via Dowerin Despatch advert published 11 November 2022.

Elections

1. Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the Local Government (Elections) Regulations 1997? *

Yes

Add comments

Please enter comments *

No gifts were received

2. Did the CEO remove any disclosure of gifts forms relating to unsuccessful candidates, or successful candidates that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? *

N/A

Add comments

Please enter comments *

No gifts were received.

3. Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? *

Yes

Add comments

Please enter comments *

No gifts were received.

Finance

1. Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? *

Yes

Add comments

Please enter comments *

Refer to Council Meeting October 2021 Item 13.1 CMRef 0496. Members are nominated for the term to be reviewed at the next LG Elections in October 2023.

2. Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority? *

Yes

Add comments

Please enter comments *

Delegation 1.1 - Refer to Council Meeting 20 December 2022 - Item 12.3 - CMRef 0714.

3. Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? *

Yes

Add comments

Please enter comments *

Auditor's Report was received 5 December 2022.

4. Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? *

Yes

Add comments

Please enter comments *

Actions taken are detailed in the Interim Management Comment of the auditor's report and presented at the December 2022 A&R Committee meeting.

5. Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? *

N/A

Add comments

Please enter comments *

No significant matters were raised and no report was required to be provided.

6. Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? *

No

Add comments

FIN-AR-Publish14DaysComments *

No significant matters were raised and no report was required to be provided.

7. Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? *

Yes

Add comments

Please enter comments *

Final Auditor's Report was received 5 December 2022.

Integrated Planning and Reporting

1. Has the local government adopted by absolute majority a strategic community plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

20/07/2021

Please enter comments *

Item 12.2 - CMRef 0443. The Shire of Dowerin adopted the Intergrated Strategic Plan which incorporated the Strategic Community Plan and the Corporate Business Plan.

2. Has the local government adopted by absolute majority a corporate business plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

20/07/2021

Please enter comments *

Item 12.2 - CMRef 0443. The Shire of Dowerin adopted the Intergrated Strategic Plan which incorporated the Strategic Community Plan and the Corporate Business Plan.

3. Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? *

Yes

Add comments

Local Government Employees

1. Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? *

N/A

Add comments

Please enter comments *

There was no recruitment during the reporting period.

2. Was all information provided in applications for the position of CEO true and accurate? *

N/A

Add comments

Please enter comments *

There was no recruitment during the reporting period.

3. Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? *

N/A

Add comments

Please enter comments *

There was no recruitment during the reporting period.

4. Did the CEO inform council of each proposal to employ or dismiss senior employee? *

N/A

Add comments

Please enter comments *

There was no recruitment during the reporting period.

5. Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? *

N/A

Add comments

Please enter comments *

There was no recruitment during the reporting period.

Official Conduct

1. Has the local government designated an employee to be its complaints officer? *

Yes

Add comments

Please enter comments *

The CEO is the authorised Complaints Officer. February 2021 CMRef 0372.

2. Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? *

Yes

Add comments

Please enter comments *

The register is available on the Shire's website. There were no complaints received during the reporting period.

3. Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? *

Yes

Add comments

Please enter comments *

The register is available on the Shire's website.

4. Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? *

Yes

Add comments

Please enter comments *

There have been no complaints for the reporting period.

Other

1. Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022?

Yes

Add comments

Please provide the date of council's resolution to accept the report. *

26/11/2019

Please enter comments *

Refer to OCM Minutes 26 November 2019 - Item 11.4 CMRef 0082.

An external contractor completed the Financial Management Review in November 2022.

2. Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022?

Yes

Add comments

Please provide the date of council's resolution to accept the report. *

26/11/2019

Please enter comments *

Refer to OCM Minutes 26 November 2019 - Item 11.5 CMRef 0083.

3. Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?

N/A

Add comments

Please enter comments *

No gifts were received during the reporting period.

4. Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

No

Add comments

Please enter comments *

Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.16 - Attendance at Events & Functions Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.

5. Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Yes

Add comments

Please enter comments *

Refer to Shire website.

6. Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

No

Add comments

Please enter comments *

Council at its 20 December 2022 Ordinary Council Meeting adopted Policy 1.15 - Councillors Training & Continuing Professional Development Policy - Item 12.1 CMRef 0712, however this was completed by Simple Majority and not Absolute. All Councillors in attendance voted for the motion.

7. Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?

No

Add comments

—

8. By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?

Yes

Add comments

Please enter comments *

This report was provided in August 2022.

9. When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?

Yes

Add comments

Please enter comments *

Annual budget is available on the Shire website.

Tenders for Providing Goods and Services

1. Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? *

Yes

Add comments

Please enter comments *

Refer Policy 3.11 - Purchasing Policy available in the Policy Manual on the Shire's website.

2. Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations? *

Yes

Add comments

Please enter comments *

T2022-01 - Gravel Re-sheeting Road Works

3. When regulations 11(1), 12(2) or 13 of the Local Government (Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)? *

Yes

Add comments

Please enter comments *

One tender was advertised during the reporting period with Statewide public notice given in the West Australian – Saturday 4 June 2022.

4. Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract? *

N/A

Add comments

Please enter comments *

The Shire of Dowerin did not enter into any multiple contracts during the reporting period.

5. If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation? *

Yes

Add comments

Please enter comments *

Addendums were issued via email and requested written acknowledgement of receipt of such amendments.

6. Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16? *

Yes

Add comments

Please enter comments *

All tenders were submitted to a locked email account that can only be accessed after the closure of the tender submission period.

7. Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? *

Yes

Add comments

Please enter comments *

Refer to the Shire's website.

8. Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? *

No

Add comments

Please enter comments *

There were no tenders received which did not comply with the requirements.

9. Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? *

Yes

Add comments

Please enter comments *

The evaluation was undertaken in accordance with the Internal Tender Checklist.

10. Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? *

Yes

Add comments

Please enter comments *

The evaluation was undertaken in accordance with the Internal Tender Checklist.

11. Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? *

N/A

Add comments

Please enter comments *

There were no EOI processes conducted during the reporting period for tenders.

12. Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? *

N/A

Add comments

Please enter comments *

There were no EOI processes conducted during the reporting period for tenders.

13. Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? *

N/A

Add comments

Please enter comments *

There were no EOI processes conducted during the reporting period for tenders.

14. Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? *

N/A

Add comments

Please enter comments *

There were no EOI processes conducted during the reporting period for tenders.

15. Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

16. If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

17. Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

18. Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

19. Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

20. Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

21. Did the CEO send each applicant written notice advising them of the outcome of their application? *

N/A

Add comments

Please enter comments *

There was no panel of pre-qualified suppliers invited during the reporting period.

22. Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F? *

Yes

Add comments

Please enter comments *

Refer Policy 3.15 - Regional Price Preference Policy available in the Policy Manual on the Shire's website.

Documents

There are no notes to display.

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Previous

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