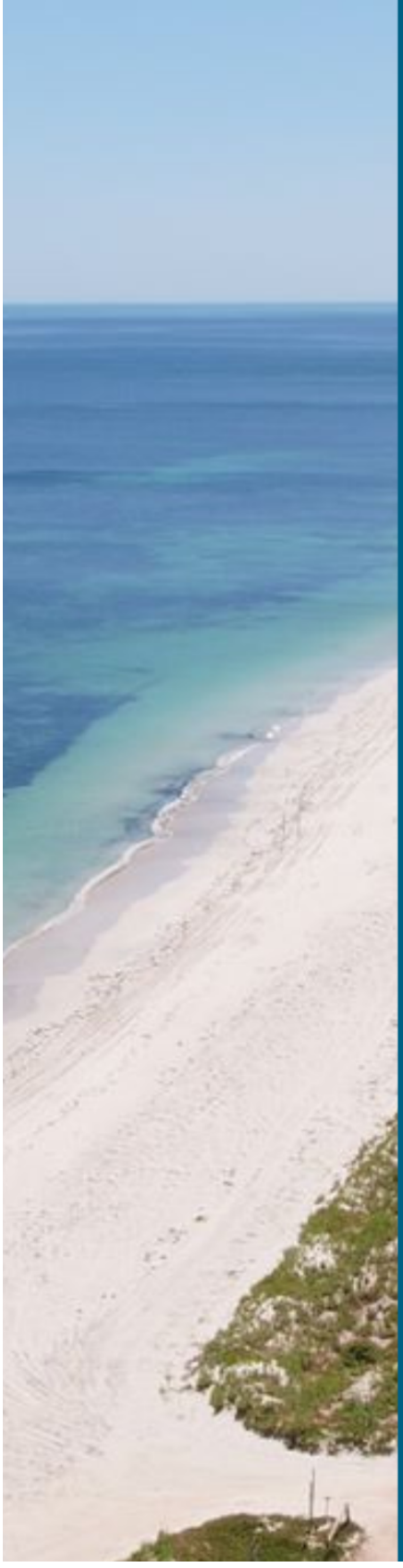

SHIRE of CAPEL

Audit and Risk Committee

Notice of Audit and Risk Committee Meeting

The next Audit and Risk Committee Meeting of the Shire of Capel will be held on Wednesday 27 November 2024 in the Council Chambers, Forrest Road, Capel commencing at 2:00 pm.

Gordon MacMile
Chief Executive Officer
21 November 2024

Acknowledgement of Country

We wish to acknowledge the traditional custodians of the land we are meeting on, the Wadandi people. We wish to acknowledge and respect their continuing connection to the land, waters and community.

We pay our respects to all members of the Aboriginal communities and their culture; and to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

Our Vision

A lifestyle of choice; connecting community, culture and country.

Our Values

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1. Declaration of Opening/Announcement of Visitors

Acknowledgement of Country

'We wish to acknowledge the traditional custodians of the land we are meeting on, the Wadandi people. We wish to acknowledge and respect their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their culture; and to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.'

2. Record of Attendance/Apologies/Leave of Absence (Previously Approved)

3. Public Question Time

4. Confirmation of Minutes

4.1. Audit and Risk Committee Meeting - 27 March 2024

Voting Requirements

Simple Majority

Officer's Recommendation – 4.1.

That the Minutes of the Audit and Risk Committee Meeting - 27 March 2024 be confirmed as a true and correct record.

5. Reports

5.1. Corporate Risk Register Quarterly Report

Author	Manager Governance and Risk, Tahlia Shipley
Authorising Officer	Director Community and Corporate Services, Samantha Chamberlain
Nature of the Decision	Legislative Review
Attachments	1. Coporate Risk Register [**5.1.1** - 2 pages]
Confidential Status	*This item is not a confidential matter.*

Proposal

Note and endorse the Shire's Corporate Risk Register and consider risk mitigation treatments.

Officer's Recommendation

That the Audit and Risk Committee endorses the Corporate Risk Register Actions.

Background

The Council adopted the Risk Management Framework at the Ordinary Meeting of the Council on 30 March 2022, and included the development of a Corporate Risk Register.

A Corporate Risk Register is a systematic and structured tool that provides organisations with a holistic view of potential risks. It is a repository that documents risks, their potential impact, likelihood of occurrence, and mitigation strategies, and supports the Shire in preparing to respond proactively to these risks through varying measure, activities and processes which are documented in the Register.

The Regulation 17 review identified the need to report the Shire's Corporate Risk Register to the Audit and Risk Committee, seeing reports presented on a quarterly basis.

Previous Council Decision:

Audit and Risk Committee Meeting – 20 December 2023 - The Audit Committee noted and endorsed the S hire's Corporate Risk Register and mitigation treatment for an additional FTE to be considered within the Workforce Plan, following a workshop with Council.

Audit and Risk Committee Meeting – 27 March 2024 – The Audit and Risk Committee noted and endorsed the Shire's Corporate Risk Register and requested the CEO to investigate options to protect the Shire from fraud in respect to publication of accounts payable.

Decision Framework

Shire of Capel Strategic Community Plan 2023-2033

Direction 4 - Deliver good leadership, governance, and decision-making:
4.1 Effective and compliant governance.
4.2 Informed and transparent decision making.

Corporate Business Plan 2024-2028

GOV 8 - Risk Management Plan - Review effectiveness of Risk Management Framework and provide continuous training to the Council and employees.

Statutory Framework

Local Framework

The Shire of Capel Risk Management Framework.

State Framework

Local Government (Audit) Regulations 1996

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 —
    (1) risk management; and
    (2) internal control; and
    (3) legislative compliance.
    (4) 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.
    The CEO is to report to the audit committee the results of that review.

Federal Framework

There are no federal frameworks relevant to this item.

Policy Framework

The following Shire Policies apply:

- Risk Management Framework.

Implications

Risk Implications

Risk	Likelihood	Consequence	Mitigation
Risk 1 Reputation **Rating:** High	Possible	Major	The CEO is required to review the Local Government's systems and procedures in relation to risk management under the *Local Government (Audit) Regulations 1996*. Quarterly risk reporting will be brought to the Audit and Risk Committee.
Risk Description: Failure to identify the Shire's risks in an open and accountable way.			
Risk 2 Legislative Compliance **Rating:** Medium	Possible	Major	The CEO is required to review the Local Government's systems and procedures in relation to risk management under the *Local Government (Audit) Regulations 1996*. Quarterly risk reporting will be brought to the Audit and Risk Committee.
Risk Description: Failure to understand and meet legislative requirements.			
Opportunity: To meet requirements of risk reporting and provide the Audit and Risk Committee an opportunity to provide input and identify solutions to mitigate Shire risks.			

Financial Implications

Budget

Budgetary impacts related to the resourcing of risk mitigation requirements are considered within the 2024-28 Corporate Business Plan and included in the 2024-25 Annual Budget. The attached Risk Register also identifies the required mitigation strategies.

For this quarterly report, no further financial considerations are required to support the Officer's Recommendation relating to the reformatting of the Accounts Paid report to Council.

Long Term

As no assets/infrastructure are being created, there are no long-term financial implications relevant to this proposal.

Sustainability Implications

Effective identification, assessment, management, and mitigation of risks are essential for all aspects of strategic and operational sustainability of the Shire of Capel.

Consultation/Engagement

External Consultation

No external consultation is required.

Internal Consultation

Consultation has been undertaken with some members of Shire's Management Team and Executive Management Team.

Officer's Comment

A Risk Register is a tool used in risk management to identify, assess, and track potential risks that may affect a project or broader organisation.

This report and the attached Corporate Risk Register is the first of the quarterly Corporate Risk Register reports to the Audit and Risk Committee for FY2024/25. The register will be provided to Council with any recommendations that may need to be considered following the Committee meeting.

The Corporate Risk Register is a live and evolving tool, so the quarterly reporting will provide an opportunity to report to the Audit and Risk Committee, and the Council, on the progress of risk mitigation and identified risk related resource requirements.

More recently and when updating the Register, a change has been made to show that items flagged to be removed are highlighted in red and the new additions / amendments are made in bold format for clarity to the Committee.

The mitigations that are current or anticipated are sourced from the Shire's Corporate Business Plan (CBP) and business as usual actions (BAU). The risk reporting will help identify elements that may be missing or are not as effective as initially anticipated.

For the remainder of the Risk Register, it is important to note there are several 'high' residual risk ratings identified. The following commentary has been provided on these:

Risk 7: Inadequate management of work, health, and safety (WHS) requirements.

Change: Change from Extreme to High, following mitigation of some elements and the addition of recent risk considerations.

Reason: Changes in legislation in the current requirements for robust work, health and safety practices has increased the opportunity for areas of non-compliance. However, there has been improved training and development for the organisation since the commencement of the legislation.

The Shire has recently decommissioned the use of the MYOSH system. Following on from a review of the system, staff identified that the benefit was not outweighing the ongoing cost of the system at $1,300 a month. Staff have managed to keep the same level of compliance through utilising Outlook registers.

There has been recent success in the recruitment of a WHS Advisor who will be onboarded on 2 December 2024. Following the onboarding of the new Advisor, the recruitment of the Trainee will commence.

The revised inductions and ongoing review of the status for volunteers and contractors have provided the Shire with more confidence in the knowledge and abilities of those undertaking roles for the Shire.

Significant work with the staff has been undertaken to ensure understanding and compliance with the WHS legislation.

Under normal circumstances the recommendation would have been to reduce the identified risk rating further to 'medium', however recent human resource reviews have highlighted that the Shire needs to improve our formal and documented Psychosocial Hazard Risk Management Plan (PHRMP). Further, improvement is required in the risk management process specifically related to psychosocial hazards, as detailed within the WorkSafe Code of Practice.

With the above in mind, the risk rating remains at 'high' with the intention to implement a PHRMP and associated processes over the next two quarters.

Risk 10: Failure to provide long term waste management services.

Change: No change to rating.

Reason: Waste management is a sector wide issue; current Southwest Waste facilities are reaching their capacity, and a long-term solution has not been identified. Additionally, current costs of waste services are increasing.

There are initiatives for Southwest Councils to work together to find solutions, such as the recent joint tendering process the Shire has been engaged in. However, there is yet to be a long-term solution to waste disposal and management regionally.

Following the Council's endorsement of the Shire's 10 Year Waste Strategy, a requirement from the Council is to develop a Waste Implementation Plan and has been included within the Chief Executive Officer's Key Performance Indicators. The Plan is proposed to be completed by June 2025, seeing the content identifying future waste mitigation strategies.

Risk 11: Failure to provide sufficient Information Communication Technology (ICT) & Enterprise Resourcing Program (ERP) support.

Change: No change to rating.

Reason: There are substantial costs associated with a new ERP system. Staff have been working on an extensive process to understand the Shire's technological requirements in a new ERP system. However, there are significant challenges to ensure a cost-effective and service-oriented final product that meets the needs of the community and the organisation now and into the future.

Staff anticipate that following the implementation of the new ERP system and potential supporting programs, we should see a decrease in the risk rating.

Business Systems are also drafting a new ICT Strategic Plan and supporting documentation which is due to be presented to the Council in January. Other risk mitigating strategies in ICT is the adoption of a Cyber Security Policy, which will algin with the requirements of the Privacy and Responsible Information Sharing Legislation.

Additional Comments on Controls and Resources:

Risk 2: Failure to recruit and retain the organisational workforce.

The Executive Management Team have recently completed a business performance and service level review to identify the Shire's key resourcing and performance gaps / challenges across the organisation.

Stage 2 of this review is commencing in January 2025 to assist the organisation in developing and understanding contemporary work scheduling, unit costing and service level planning solutions.

Risk 3: Insufficient Asset Management

The Asset Management Policy was adopted at the September Ordinary Council Meeting and the Asset Management Strategy adopted at the October Ordinary Council Meeting.

However, there is still insufficient data relating to the Shire's assets. The Shire has just awarded a Request for Quotation (RFQ) for an Asset Survey to be undertaken to identify the gaps in the current asset data. This will help Officers to develop realistic and detailed Asset Management Plans and Asset Registers.

Risk 5: Failure to comply with new Statutory & Regulatory Requirements and provide good governance.

The current changes in legislation require education to the community and organisation. All staff are required to comply with good governance. However, due to changes in legislation, with the current resourcing challenges, the ability to ensure the whole workforce is well trained in all aspects of good governance, continues to pose a challenge, especially if the workforce is transient.

The recent Local Government Amendment Bill passed on 17 October 2024 and the Shire is anticipating the day of Assent to occur soon. Therefore, there are several policies, procedures, Terms of Reference and the like that will be required to be updated in the immediate future.

Additionally, staff are currently drafting documents required as part of the Privacy and Responsible Information Sharing legislation. The Council will see a Privacy Policy and Data Breach Policy presented in the next few months for adoption, with an Information Asset Register currently being drafted.

The attached Corporate Risk Register is a live document, and Officers welcome the Committee and Council's feedback.

Future updates to the Corporate Risk Register will be presented to the Audit and Risk Committee meetings, then presented at the following Ordinary Meeting of Council.

Summary

The Council is to review and consider the current identified risks in the Corporate Risk Register with current and future risk mitigation strategies presented to reduce risk across the organisation.

Voting Requirements

Simple Majority.

Officer's Recommendation – 5.1.

That the Audit and Risk Committee endorses the Corporate Risk Register Actions.

Corporate Risk Register

IDENTIFICATION									CURRENT				PROPOSED				
RISK #	SCP REF	DESCRIPTION OF RISK	RISK CAUSE	RISK CONSEQUENCE	IMPACT CATEGORY	CONSEQUENCE RATING	LIKELIHOOD RATING	INHERANT RISK RATING	EXISTING CONTROLS	CONSEQUENCE RATING	LIKELIHOOD RATING	RESIDUAL RISK RATING	PLANNED TREATMENTS	RESOURCES REQUIRED	RISK OWNER	TREATMENT DUE DATE	STATUS
1	2.3 3.3 4.1 4.2 6.1	Failure to provide long term financial sustainability	• Increased costs on materials/services • Service level expectations • Rating strategy • Borrowing capacity • Grant security	Lack of financial sustainability	Financial	Major	Possible	High	• Ensuring a regular review of the Long term financial plan • Annual reviews of Programs of Works (PoW) • Procurement Management procedure • Quarterly reporting of the Corporate Business Plan • Use of the WA Treasury Corporation Financial Tool	Major	Unlikely	Medium	1. Regular review of PoW **2. Monthly reporting on Captial Works through Financial Statements**	1. AST 8 - Staffing resources as per Risk 2.	1. Director Infrastructure and Development	1. Ongoing **2. Ongoing**	**1. 2023/24 Completed 2024/25 due 31/03/2025**
2	4.1 4.4	Failure to recruit and retain the organisational workforce	• Workforce resourcing allocations to projects • Reduced recruitment opportunity due to a competitive recruitment market • Accommodation for staff • Resourcing in Human Resources • Lack of skilled workforce • Increased staff turnover	• High staff turnover • Inability to meet service requirements	Reputational and Service Delivery	Major	Possible	High	• Workforce Plan • Traineeship initiatives • Leadership development program **• Additional resourcing in Organisational Development team.** **• Organisational Service review stage 1 completion and action commencement**	Major	Unlikely	Medium	1. Implement Organisation Development Strategy 2. Implement Cultural Development Program 3. Urgent recruitment of roles **4. Implementation of Service Review Stage 2 outcomes**	2. Budget inclusion as per ORDG **10** in the CBP **4. Budget inclusion as per CBP items DCC 5 and DID 6**	1. - 3. Manager Organisational Development / Director of Community and Corporate **4. Director of Community and Corporate and Director of Infrastructure and Development**	**1. 30/06/2025** 2. Ongoing 3. Ongoing **4. 30/03/2025**	1. In progress 2. In progress 3. In progress **4. In progress**
3	3.2 3.4 4.3 5.1 5.2 5.3 5.4	Insufficient Asset Management	• Contractor availability • Increased costs in materials and services **• Lack of continuity in workforce** **• Insufficent FTE Resources in Asset team** **• Limitied data**	Failure to deliver Capital Works Programs and manage assets	Infrastructure / systems / utilities and financial	Major	Likely	High	• Completed asset revaluation for current data • Utilise alternative procurement opportunities **• Current and contemporary Asset Management Strategy and Asset Management Policy** **• Sufficient asset management software**	Moderate	Possible	Medium	**1. Review asset Management Strategy** **2. Review of Asset Management Policy** **3. Award of RFQ for Data Survey** **4. Development of Asset Management Plans**		Manager Projects, Facilities and Assets / Director Infrastructure and Development	**1. 1/10/2024** **2. 1/10/2024** **3. 31/12/2026** **4. Ongoing**	**1. Completed** **2. Completed** **3. Commenced** **4. Templates Commenced**
4	2.1 3.2 4.5 5.1 5.2 5.3 5.4	Failure to deliver capital Works and projects	• Inflation / cost increases • Service level expectations • Staff continuity • Availability of contractors • Lack of skilled contract managers	• Service delivery requirements not met • Compliance standards not maintained	Infrastructure / systems / utilities and Reputational	Major	Likely	High	• Corporate Business Plan tracking • Utilise alternative procurement opportunities • Improved reporting of progress to executive. **• Monthly reporting to the Council through Financial Reports as per Risk 1**	Major	Unlikely	Medium	1. Develop a Project Management Framework	**1.PFA5 Project Management Framework**	Director of Infrastructure and Development	**1. 30 June 2025**	**1. In progress - draft testing**
5	4.1 4.2	Failure to comply with new Statutory & Regulatory Requirements and provide good governance	• Lack of resourcing in governance and compliance roles • Sufficient training in legislative changes • Ability to provide considered input to government departments • Challenges with interpretation of legislation	Non-compliance of services	Legislative compliance, financial and reputational	Major	Possible	High	• Attendance of Department briefings • Rollout of new procurement management procedure • Internal training provided to staff	Major	Unlikely	Medium	1. Development of additional registers and reporting for future reform requirements **2. Creation of new policies and procedures to in relation to Amendment Bill.** **3. Update of Terms of Reference for Committees in alignment to new Bill.** **4. Implementation of PRIS requirements** 4. Review of Code of Conduct	No current resourcing requirements besides BAU actions in the CBP	CEO and Manager Governance and Risk	1. 30/06/2025 2. 30/06/2025 **3. 01/02/2025** **4. 30/06/2025** 5. 30/08/2025	1. Not Started 2. In Progress **3. Not started** **4. In progress** 5. Not Started
6	1.1 1.2 1.3 3.1 3.2 3.3 4.3 6.1 6.2	Failure to grow economic development and place management	• Lack of Shire resourcing • Failure to develop across sector relationships • Insufficient local public transport • Insufficient tourism strategy • Failure to provide local employment opportunities • Insufficient sporting facilities to meet requirements of the community	Inability to support a growing community	Reputational and Service Delivery	Moderate	Unlikely	Medium	• Ongoing meetings with Shire of Capel Economic Development Committee • Regular meetings with SW Development Commission • Regular meetings with local MP's	Minor	Possible	Medium	1. Implementation of Economic Development initatives	No current resourcing requirements besides BAU actions in the CBP	CEO	1. Ongoing	1. In progress (planning)

7	1.4 4.1 4.4 6.2	Inadequate management of Work Health and Safety requirements	• Non-compliance with legislative requirements for WHS Act • Lack of sufficient training with volunteers • Insufficient training with employees due to staff turnover • Lack of resourcing in Organisational Development • Outdated procedures	• Injuries/death • Legislative non-compliance, resulting in legal ramifications	Health and Safety and Legislative Compliance	Severe	Likely	High	• Work Health and Safety Officer support to staff **• Use of MYOSH system to support safety requirements - cost** **• Online induction requirements for volunteers and contractors** **• Development of online induction for staff** **•Regular onboarding meetings to ensure staff are supported.**	Severe	Possible	High	1. Implementation of working alone procedure 2. Assist in WHS support in the Contractor Management Framework 3. Training to volunteers and staff **4. Recruitment of trainee to support WHS Advisor** **5. Development of sychosocial Hazard Risk Management Plan (PHRMP) and risk management processes**	3. Utilise current budget allocations for training	CEO	1. 30/06/24 2. Ongoing 3. Ongoing 4. 30 June 2024	**1. Draft finalised** 2. In progress 3. In Progress **4. Not commenced - awaiting new recruitment of WHS Advisor** **5. Implementation of PHRMP in Q1 and Q2 2025.**
8	2.1 2.2 2.3 2.4 2.5 2.6 2.7	Failure to develop and maintain climate change and environmental sustainability management	• Lack of community knowledge in current challenges • Lack of resourcing in sustainability • Insufficient sustainability framework • Lack of across organisational understanding • Insufficient CHRMAP action planning	Inability to future plan for environmental concerns	Environmental and Reputational	Moderate	Possible	Medium	• Work with the Climate Change, Adaptation and Sustainability Committee on developing key initiatives • Current development of the Shire's Sustainability Framework	Moderate	Unlikely	Medium	1. Report on current sustainability initiatives 2. Implementation of Sustainability Action Plan	**2. Budget inclusions in CBP PFA 34 for reporting mechanisms**	CEO and Director Infrastructure and Development and Senior Sustainability Officer	1. Ongoing 2. Ongoing	1. In Progress **2. In progress**
9	1.1 1.3 3.1 6.1 6.2	Failure to provide strong community and stakeholder engagement	• High staff turnover • Increased community expectations • Failure to provide sufficient communication to community • Increased service delivery • Lack of contractor and consultant availability • Lack of understanding of Local Government roles and responsibilities	Relationship decline with the community and stakeholders, resulting in lack of trust and partnership	Reputational and Service Delivery	Minor	Unlikely	Low	• Frequent meetings with SW Local Governments • Frequent meetings with SW WALGA Zone • CEO meetings • Youth Group • Seniors Group / Link • Community Engagement Framework • Communication Strategy	Minor	Unlikely	Low	1. Training staff in community engagement best practices **2. Development of Community Perception Survey**	1. No current resourcing requirements besides BAU actions in the CBP **2. CBP budget allocation COMA 18**	1 & 2. CEO	1. Ongoing **2. Nov 2024**	1. Key identified staff to undertake external training **2. In progress**
10	1.4 2.6	Failure to provide long term waste management services	• Increased costs of waste services • Insufficient waste facilities • Lack of sustainable waste management long term options • Waste transport costs • Lack of licence capabilities at the Shire's Waste Transfer Station	Increased costs and environmental/sustainability impacts	Infrastructure / systems / utilities and financial	Major	Likely	High	• Attendance at SW regional waste group meetings • New waste service 10 year tender • Annual monitoring of waste data	Major	Possible	High	1. Local Waste education 2.Tracking of current waste data **3. Finalise draft waste action plan**	No current resourcing requirements besides BAU actions in the CBP	Director Infrastructure and Development and **Manager Parks, Waste and Environmental Services**	1. Ongoing 2. Ongoing **3. 30/06/2025**	1. In Progress 2. In Progress **4. In progress**
11	1.1 3.2 4.1 4.2 4.5 6.1 6.2	Failure to provide sufficient ICT & ERP support	• Lack of technology • Insufficient ERP system • Increased expectation from the community • Increased service delivery expectations • Increased cyber security risks •Lack of ICT Risk identification through minimal resource	Decline in service delivery and inability to meet service needs	Reputational, Financial and Service Delivery	Severe	Likely	Extreme	• Scheduled replacement of ERP system • Internal cyber security training • Minor technology upgrades	Major	Likely	High	1. Implementation of new ERP System **2. Development of ICT Strategic Plan** **3. Development of Cyber Security Policy/PRIS requirements**	1. Budget consideration s per BTECH 35 in CBP	Manager IT and Business Systems and Director Community and Corporate	1. 30-Jun-25	1. In Progress - **Tender proposed to be awarded January 2025 OCM** **2. 31 January 2025** **3. August 2025**
12	1.4 4.2 6.1	Failure to provide emergency management and business **recovery** / continuity in a disaster	• Lack of new work health and safety requirements • Lack of resourcing • Decline in the number of volunteers • Lack of sufficient training on the Shire's Business Continuity Plan • Lack of available resourcing for service delivery	Impact on ability to support the community in a disaster	Health and Safety and Legislative Compliance	Severe	Unlikely	High	• Frequent meetings with the Local Emergency Management Committee • Frequent meetings with the Bush Fire advisory Committee • Current Bush Fire Management Plans • Bush Fire Mitigation Officer undertaken consistent management of reserves	Servere	Rare	Medium	1. Review of Business Continuity Plan 2. Contractor engagement of bush fire mitigation **3. Development of Recovery Plan**	1. No current resourcing requirements besides BAU as detailed in CBP 2. No current resourcing requirements besides BAU as detailed in CBP. **3. No current resourcing requirements besides BAU as detailed in CBP.**	1. Manager Governance and Risk 2. Emergency Service Coordinator and Director Infrastructure and Development **3. Manager Community Development and Safety**	1. 30 June 25 2. Ongoing **3. 30 June 25**	1. In progress 2. In Progress **3. In Progress**

5.2. Quarterly Summary - Regulation 17 Internal Audit Progress Report

Author	Director Community and Corporate Services, Samantha Chamberlain
Authorising Officer	Chief Executive Officer, Gordon MacMile
Nature of the Decision	Review
Attachments	Nil
Confidential Status	*This item is not a confidential matter.*

Proposal

Receive the quarterly Regulation 17 Progress Report, noting the stated observations / recommendations under risk management, internal controls and legislative compliance are being implemented appropriately and in a timely manner.

Officer's Recommendation

That the Audit and Risk Committee receive and review the quarterly Regulation 17 Progress Report in accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*.

Background

Regulation 17 of the *Local Government (Audit) Regulations 1996* (Reg 17) requires the Chief Executive Officer to review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal controls, and legislative compliance.

A legislative amendment in 2018 changed the requirement for these reviews to be completed no less than once every three financial years.

Since this time, the Shire has conducted Regulation 17 reviews in November 2014, April 2016, September 2018, and May 2022. Following each audit, Officers review the findings and prioritise observations and recommendations based on risk and allowable resources.

Auditors Assurance Advisory Group (AAG) were appointed on 11 April 2022 to conduct an independent and comprehensive audit of the Shire's risk management, internal control and legislative compliance with a draft report presented to Officers for consideration.

The draft report was reviewed, and management comments were provided by the Director Community and Corporate, Manager Finance and Strategic Governance and Risk Coordinator. The report was finalised by AAG on 2 June 2022 and presented to the Audit and Risk Committee on 29 June 2022.

The report highlighted the strong progress made by the Shire since the 2018 Reg 17 Audit and provided further recommendations for the Shire to improve systems and processes.

This is summarised in the following executive summary:

> "In Summary, the audit identified that significant progress has been made by the Shire of Capel since the previous Regulation 17 Audit conducted in 2018. While there are findings in this report, they are predominantly of an improvement nature rather than indicators of breakdowns of controls or material non-compliance."

Following the auditor's report being endorsed at the June 2022 Audit and Risk Committee, Officers are actioning works for each observation and the progress is reported through the quarterly progress reports to the Audit and Risk Committee.

An Alternative Motion adopted at the Audit and Risk Committee on 21 December 2022 directed Officers to include resourcing requirements for each observation and this detail has been included in the quarterly reporting format.

Officers will provide progress reports at each Audit and Risk Committee meeting with the reporting format remaining the same for tracking purposes.

Previous Council Decision

AC/2024/5 - The Audit and Risk Committee performs its role set out in Regulation 16 of the Local Government (Audit) Regulations 1996 to receive and review the quarterly Regulation 17 Progress Report.

Decision Framework

Shire of Capel Strategic Community Plan 2023-2033

Direction 4 - Deliver good leadership, governance, and decision-making:
4.1 Effective and compliant governance.
4.2 Informed and transparent decision making.

Corporate Business Plan 2024-2028

GOV8 - Biannual review of all internal systems and processes for compliance, efficiency, and effectiveness.

Statutory Framework

State Framework

Local Government (Audit) Regulations 1996

16. An audit committee has the following functions –
    (c) To review a report given to it by the CEO under regulations 17(3) (the CEO's report) and is to –
        (i) report to the council the results of that review; and
        (ii) give a copy of the CEO's report to the Council;
    (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
        (i) regulation 17(1);
    (f) to oversee the implementation of any action that the local government –
        (iii) has accepted should be taken following receipt of a review conducted under regulations (17).

17. CEO to review certain systems and procedures
    (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
        (a) risk management; and
        (b) internal control; and
        (c) legislative compliance.
    (2) The review may related 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.

Policy Framework

- Risk Management Framework.
- Internal Controls.
- Legislative Compliance.
- Fraud and Misconduct.

Implications

Risk Implications

Risk	Likelihood	Consequence	Mitigation
Risk 1 Legislative Compliance **Rating:** Medium	Unlikely	Moderate	• Progress reporting to the Audit Committee. • Corporate Business Plan Action. • External Audit recommendations.
Risk Description: Failure to complete the audit process required under the Local Government Act Regulations.			

Risk	Likelihood	Consequence	Mitigation
Risk 2 Reputation **Rating:** Medium	Unlikely	Major	• Appointment of suitably qualified. professionals to conduct reviews. • Action recommendations. • Progress report to the Audit Committee.
Risk Description: Failure to assess the appropriateness and effectiveness of internal systems and procedures increases risks associated with fraud, misconduct, and reputation.			
Risk 3 Financial **Rating:** Medium	Unlikely	Major	• Appointment of suitably qualified. professionals to conduct reviews. • Action recommendations. • Progress report to the Audit Committee.
Risk Description: Failure to assess the appropriateness and effectiveness of internal systems and procedures increase risks associated with fraud, misconduct, and financial loss.			
Opportunity: The Regulation 17 review provides a great opportunity to evaluate the robustness of the Shire's internal process and procedures and develop a plan to support constant improvement. This provides organisation wide resilience and efficiencies.			

Financial Implications

Budget (Financial Year 2024-25)

Through the review of the three remaining observations and recommendations identified during the May / June 2022 Regulation 17 Audit process, there are no directly related costs mapped in the 2024/25 Annual Budget.

Long Term Financial Implications

Future budget considerations are detailed against each observation and will be incorporated into budget and long-term financial planning documents. Particularly, where tasks are linked to the integration of a new Enterprise Resourcing Platform (ERP) or where physical resourcing requirements are identified through the Shire's Workforce Planning document.

Sustainability Implications

Constant improvement to the Shire's internal systems and procedures is essential to the sound management of the Shire's governance framework. This facilitates consistent and equitable decision making, which is essential to create positive social, economic, and environmental impacts in the community.

Consultation/Engagement

External Consultation

Some observations require Officers to undertake consultative processes with other LGs ensuring best practice methodology is included in the actionable requirements.

Internal Consultation

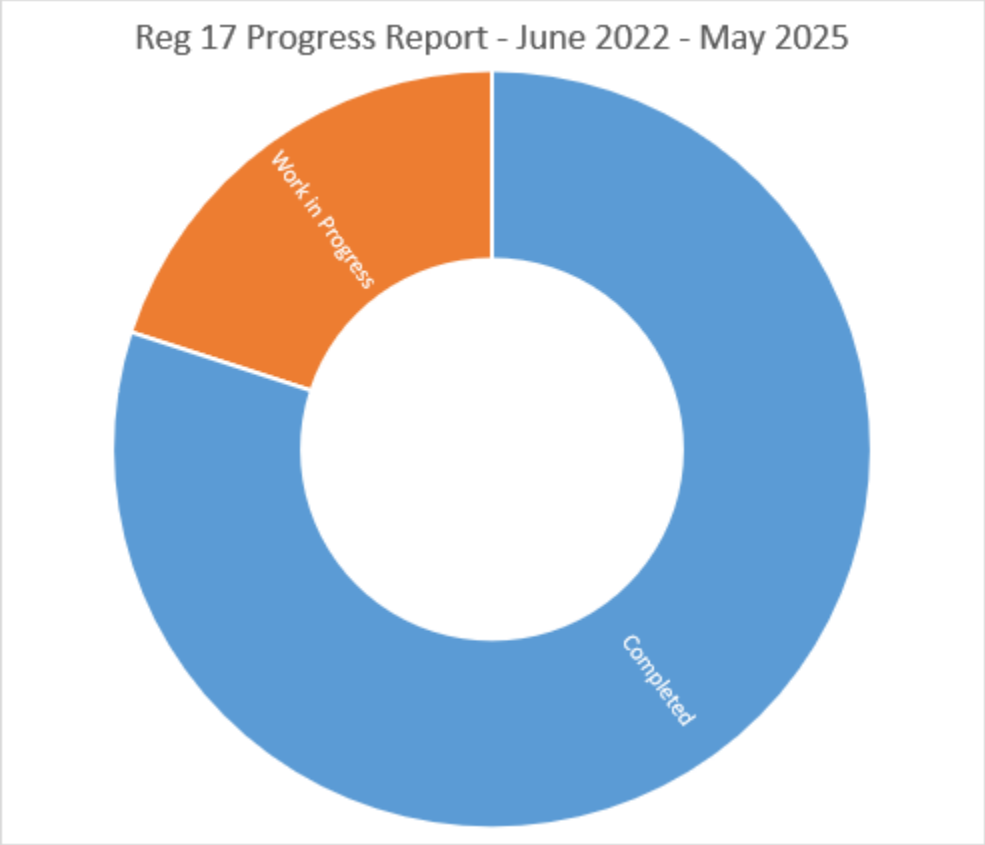
The Executive Leadership Team and Management Team are responsible for attributable observations identified through this review process.

The report template identifies the 'Devolved Responsible Officer(s)' tasked with ensuring each action is completed both appropriately and in a timely manner.

Officer's Comment

For November 2024 reporting, the Regulation 17 audit progress of actions marked 'Completed' and a 'Work in Progress' is summarised in the below graph:

Graph 1.



Since reporting the quarterly progress update in March 2024, Officers have now actioned 12 of the 15 observations and recommendations presented in the final audit report.

The November 2024 Quarterly Progress Report is presented in more detail in the following pages.

Findings / Observations marked **'COMPLETED'** in the progress column are finalised where no further actions are required unless directed otherwise.

Quarterly Progress Report

The following table summarises the progress made to date against each of the Regulation 17 Observations:

5.1 Risk Management

Observation(s) and Ratings	Recommendations	Management Responses	Progress Report November 2024	Resourcing
5.1.1 Risk Management Framework **Observations/Findings** The Shire has developed and adopted a new suite of Risk Management documents and a Risk Register. These were informed by ISO 31000:2018 and are a significant improvement over the previous regime, which had not been operating effectively in place since late 2018. The following observations were made: • The new Risk Framework categorises risks but does not separate out "Fraud and Misconduct." As Fraud and Misconduct is an area of focus at all levels of Government, there would be value in identifying risks and mitigating controls for Fraud and Misconduct.	**It is recommended that:** 1. The Shire considers revising the new Risk Management Framework and associated documents to: a. Incorporate a Fraud and Misconduct category. b. Specify ownership of the various levels of risk, with 'Extreme' risks assigned to either the Council or Audit Committee. **Residual Risk Rating: Low**	**Management Response:** The Shire agrees and will consider incorporating a Fraud and Misconduct category when the Risk Management Framework is reviewed in 2023-24. The current role of the Council and Audit Committee is oversight and review. The Council or Audit Committee may become involved in the management of extreme risks, where certain action is required to mitigate the risk e.g., Beyond the delegated authority of the CEO to act. The Shire will consider specific ownership of extreme risks when the Risk Framework is reviewed. **Responsibility:** Director Community and Corporate **Implementation Date:** 2023-24.	**Management Update:** **COMPLETED** – The Shire's Corporate Risk Register was initially presented to the Audit and Risk Committee on 28 June 2023. The Risk Register will continue to evolve to reflect, and update identified risks across the organisation, with updates presented at future Audit and Risk Committee meetings. **Devolved Responsible Officer(s):** Manager Governance and Risk	To date, no additional resourcing requirements have been identified.

• Ownership of individual risks is assigned to Shire staff depending on the severity of the risk, ranging from operational managers to the CEO. Given the consequences of 'Extreme' risks, there would be value in ownership of these risks and their mitigation actions resting with either Council or the Audit Committee. **Causes** • This is an opportunity for improvement, as such, there was no direct cause for this omission other than strict adherence to the ISO. • Practice of assigning risk ownership to operational/ executive management **Potential Impact:** • Possibility of not adequately identifying and mitigating fraud and misconduct risks. • The council is not adequately aware of 'Extreme' risks, making resourcing of mitigation strategies more problematic. **Inherent Risk Rating: Low**				

Observation(s) and Ratings	Recommendations	Management Responses	Progress Report November 2024	Resourcing
5.1.2 Business Continuity **Observations/Findings** The Shire has developed and implemented a Business Continuity Plan and a Business Systems Disaster Plan. Both are comprehensive documents, and there is evidence that both have been reviewed at least annually. Good practice with Business Continuity Plans is to undertake an annual test of the Plan. There does not appear to be a process to evaluate the Business Continuity Plans or evidence of any testing. **Causes** • Both Plans are relatively new (June 21 and September 20 respectively), and testing has not been identified as a necessity. **Potential Impact:** • Missing information/ steps within the Plans may not be identified or changed circumstances considered. This could result in the Plans being ineffective during an event. • The benefits of familiarisation/ training of staff afforded by the testing process are not realised. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. The Shire implements an annual testing regime for both the Business Continuity Plan and the Business Systems Disaster Plan. Testing should be documented, and any lessons learned incorporated into the next iteration. **Residual Risk Rating: Low**	**Management Response:** The Shire Executive Management Team will allocate a project lead and schedule an appropriate day in the Corporate Calendar to evaluate each plan. **Responsibility:** Director Community and Corporate **Implementation Date:** 2022-25.	**Management Update:** Testing of the Business Continuity Plan is now scheduled for quarter one of 2025 (Jan to Mar). **Completion:** By March 2025. **Devolved Responsible Officer(s):** Manager Governance and Risk, WHS Officer, Manager Organisational Development & Manager Business Systems.	To date, no additional resourcing requirements have been identified. However, resourcing linked to additional staff hours is a possibility and will be costed through the planning for the exercise. Any associated costs will be reported in the next quarterly progress report to the committee.

Observation(s) and Ratings	Recommendations	Management Responses	Progress Report November 2024	Resourcing
5.1.3 Managing Operating Risks **Observations/Findings** There is not a **formal** process in place guiding operational managers on the identification, mitigation, and reporting of operating risks. This occurs informally as managers go about their daily duties. It is noted that there are policies providing guidance for 'Legislative Compliance' and 'Fraud and Corruption,' and processes in some work areas e.g., project management methodology. However, these do not currently align with the Risk Management Framework. **Causes** • The Risk Management Framework has been newly introduced and has yet to incorporate processes for managing operating risks. **Potential Impact:** • Not all risks are appropriately documented, assessed, and mitigated. • Insufficient visibility of operating risks across the organisation, so unable to identify multiple instances of the same risk. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. Once Risk Management Framework has been fully implemented and embedded, the Shire develops and implements a procedure to guide operational managers in determining, documenting, and managing material operating risks. **Residual Risk Rating: Low**	**Management Response:** The Executive Management Team has endorsed a Risk Management Procedure that identifies the roles and responsibilities for determining, documenting, and managing risks. Training is scheduled with relevant Shire officers on 13 and 15 June 2022. Compliance with the Risk Management Procedure will be expected from this time. An ongoing review of Risk Management policies and procedures is planned. **Responsibility:** Director Community and Corporate **Implementation Date:** 2022-23	**Management Update:** **COMPLETED** - with a continual staff training review process for good practice purposes. **Devolved Responsible Officer(s):** Manager Governance and Risk & WHS Advisor.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Responses	Progress Report November 2024	Resourcing
5.1.4 Risk Reporting **Observations/Findings** There has been no formal Risk reporting within the Shire since 2018. **Causes** • The previous Risk Register was last updated in late 2018 and was not operational since then. There had been no risk management process in place between then and the development of the new Risk Management Framework in late 2021/early 2022, so no associated reporting regime in place **Potential Impact:** • Senior Management and Council not aware of material risks, or mitigating actions, faced by the Shire. **Inherent Risk Rating: High**	**It is recommended that:** 1. The Shire establishes a new risk reporting regime which includes: a. Quarterly reporting of risks through to EMT and the Audit Committee and/or Council. b. Incorporates tables summarizing numbers of risk per category and risk rating. c. A summary of all 'Extreme' and 'High' rated risks. d. A link to the full Risk Register should readers wish to review in detail. A mock-up of a possible report format is available at Appendix 3 **Residual Risk Rating: Low**	**Management Response:** The newly developed Risk Register will be embedded in the agenda for the monthly joint meeting of the Executive Management Team and Managers and the three Audit Committees per year. The Shire will implement the use of written risk reports as recommended. **Responsibility:** Strategic Governance and Risk Coordinator **Implementation Date:** July 2022.	**Management Update:** **COMPLETED** - As per the Officer's commentary for Observation 5.1.1. **Devolved Responsible Officer(s):** Manager Governance and Risk & WHS Advisor.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Responses	Progress Report November 2024	Resourcing
5.1.5 Insurance **Observations/Findings** The audit concluded that there is a robust process in place for reviewing the Shire's insurable risks annually with the Insurer, LGIS. This includes communication about any major changes in the Shire's operations and assets and plant holdings. Notwithstanding this, the current economic conditions within Western Australia have resulted in changes which may impact the adequacy of the Shire's insurance coverage, these include: • Significant increases in the costs of building materials, plant and equipment. • Delays in delivery of materials and plant. • Shortage of skilled labour to undertake repair and/ or construction works. • Availability of construction contractors. **Causes**	**It is recommended that:** 1. The Shire urgently commission: a. An insurance revaluation of all buildings and plant to assure there will be adequate coverage in the event of loss or destruction. b. An assessment of the Shire's Business Interruption Insurance to accommodate for likely delays in replacing or rebuilding critical buildings and/ or infrastructure. **Residual Risk Rating: Low**	**Management Response:** Asset revaluation for financial reporting is addressed in the Local Government (Financial Management) Regulations 1996. Further direction is given by the Office of the Auditor General Western Australian local government position paper 2. There is a requirement for assets to be revalued within five years. This applies to land, buildings, infrastructure, and investment property. Plant and equipment are now carried at depreciated cost. An insurance valuation is completed when a financial valuation is completed. An annual internal assessment is made of the insurance value for each asset on the insurance schedules, as part of the review of the Shire's insurable risks. The local government sector acknowledges the volatility in the cost and availability of resources and materials for asset replacement.	**Management Update:** **COMPLETED –** Revaluations were completed across the Shire's entire asset base excluding Land and Buildings which are scheduled to be revalued during 2023-24. **Devolved Responsible Officer(s):** Manager Finance and Director Community & Corporate.	Land and Buildings Revaluation project cost included in the 2023-24 Annual Budget. The revaluation of all Shire Land and Buildings is now finalised. Revised revaluation calculations will be presented in the 2023-24 Annual Financial Statements.

• Change in revaluation cycle from three to five years. • External factors include rising costs, labour shortages and delivery delays. **Potential Impact:** • Insufficient insurance coverage to replace or repair critical buildings and/or infrastructure. • Increased business interruption if the Shire's administration building or depot were to be destroyed or damaged. **Inherent Risk Rating: High**		An assessment of major assets should be completed to identify critical assets that, if lost, would cause major business interruption. It should then be decided if an external insurance valuation of these assets should be completed to ensure a process of adequate coverage. These valuations would occur outside the years when a financial valuation takes place for an asset class. It would also apply to assets that are not required to be valued for financial reporting such as heavy plant. Agree that an assessment of the Shire's business interruption insurance be completed to report on the level and scope of coverage. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2022-23.		

5.2 Internal Controls

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.1 Purchasing Policy v2 **Observations/Findings** This updated policy has become inaccurate in relation to Section 11f which refers to Purchase Orders and Requisitions, however, we understand the Shire does not use requisitions currently. **Causes** • There are no current procedures for the raising or authorising of Purchase Orders to show clarity in the process. **Potential Impact:** • Confusion leads to inefficiency. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. Procedures are adopted for the whole Procurement Process including the raising, approving, and issuing of Purchase Orders. **Residual Risk Rating: Low**	**Management Response:** Agree to review and update the purchasing policy to remove any inaccuracies and reflect changes since the last review. Review and update management procedures on raising, approving, and issuing of purchase orders. The Shire is currently using manual patching to rectify deficient system capabilities with the ERP, and this creates workflow inefficiencies. The Shire will review the ERP in 2022/23 and a resolution to recommendations 5.2.1, 5.2.2, 5.2.3, 5.2.4, will be investigated. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2022-23.	**Management Update:** **COMPLETED –** The Shire's Purchasing Policy and Management Procedure was adopted by the Council during the March 2023 OCM. Since this time, Procurement training sessions for all staff have been conducted across the organisation to ensure the new policy/framework is adhered to when Officers procure goods and services for the Shire. The staff are preparing to start the next review of the Shire's purchasing policy due to come to Council June 2024. **Devolved Responsible Officer(s):** Manager Finance & Manager Governance and Risk.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.2 Purchasing Policy v2 **Observations/Findings** There is no segregation of duties between order raising and order approval, with one officer required to undertake both tasks. **Causes** • Lack of focus on segregation of duties, possibly due to lack of clarity with no procedures as in the above cause. **Potential Impact:** • Lack of segregation of duties, as well as possible inefficiency with Senior Officers' time, spent raising documents. • The possibility for fraud and misconduct to occur. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. A different officer raises the order from the officer whom it is directed to for approval. Note if this recommendation is actioned the officer raising the order could also receive the order if recommendation 8 below leads to 3-way matching. **Residual Risk Rating: Low**	**Management Response:** Agree to review and update the purchasing policy and management procedures to address the issue of segregation of duties. **Responsibility:** Director Community and Corporate **Implementation Date:** 2022-23	**Management Update:** **COMPLETED** – Through the review of the Shire's Purchasing Policy, a requisition system has been introduced to allow for the segregation of duties between the Officer raising and approving the requisition. The new requisition system is due to 'go live' on Monday 3 July 2023. **Devolved Responsible Officer(s):** Manager Finance & Manager Governance and Risk.	As per above.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.3 Accounts Payable **Observations/Findings** The accounts' payable function operates a 2-way match process for all non-manually processed invoices. **Causes** • The Shire does not receive goods or services on the accounting system. Instead, the AP officer sends out all invoices for manual signoff. **Potential Impact:** • Inefficiency and possible increased risk of inaccuracy in the accounts payable process. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. The Shire investigates whether the current Synergy software for 3-way matching offers a suitable solution prior to any alternative module implementation being considered. If acceptable, then 3-way matching should commence with the receiving functionality being introduced. **Residual Risk Rating: Low**	**Management Response:** Agree to investigate current software to improve the efficiency and accuracy of the matching process. **Responsibility:** Director Community and Corporate **Implementation Date:** 2022-25.	**Management Update:** Sourcing this functionality through the onboarding of a new finance system during the Enterprising Resourcing Planning (ERP) investigations. **Completion:** Ongoing - consideration through investigation of new ERP. **Devolved Responsible Officer(s):** Manager Finance & Senior Finance Officer.	To date, no additional resourcing requirements have been identified – solution linked to functionality in new ERP system. ERP successful tenderer report due to Council in January 2025.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.4 Accounts Payable **Observations/Findings** We understand the matching process of invoice to purchase order on Synergy allows a 10% overspend before a warning is given on the system, but that does not prevent the matching from taking place. **Causes** • Parameters in the system have been set at this level we understand due to typical GST errors. **Potential Impact:** Overpayments. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. The Shire undertakes an assessment of whether this level of flexibility is necessary as 10% appears a high level of tolerance. It is commonplace that a warning occurs at 90% and that any invoices over 100% of the order value require either a new order or an amendment to be raised for matching to succeed. **Residual Risk Rating: Low**	**Management Response:** Agree with undertaking an assessment on the levels of tolerance and the management procedures. Additional controls will be considered during this assessment. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2022-25	**Management Update:** Work in progress continuing. System controls will be assessed for the feasibility of adjusting the % tolerances. During this time, a review will be completed on the number of occurrences which exceed 100% of the payable amount and assess the level of financial risk this poses on the Shire's cash flow position. Also look for this automated functionality within a new ERP system to increase efficiency within the Finance Team. **Completion:** Extended review, with completion due March 2025. **Devolved Responsible Officer(s):** Manager Finance & Senior Finance Officer.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.5 General Ledger Reconciliations **Observations/Findings** The following month-end reconciliations for March 2022 had the following issues. • Rates: no evidence of independent review. • Creditors: at the time of the audit had an unreconciled difference of $100. • Payroll: not performed due to software problems with the new definitive module. The provider is working on a solution. • Fixed Assets: no full reconciliation was performed for March; a monthly YTD report was, however, prepared. **Causes** • Absence of timeliness and full testing prior to software purchase. **Potential Impact:** Build-up of inaccurate transactions leading to inaccurate balance sheets and potential for fraud. **Inherent Risk Rating: High**	**It is recommended that:** 1. When all software issues have been resolved, the Shire should reconcile all balance sheet accounts monthly leaving an audit trail and also demonstrate evidence with independent reviews over differences actioned by the following month. **Residual Risk Rating: Low**	**Management Response:** All balance sheet reconciliations to be reviewed with evidence of that review. Any variances to be noted at the time of reviewing the reconciliations and the process being followed to resolve the difference be noted. Monthly evidence of review to be completed. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2022-23.	**Management Update:** **COMPLETED -** As per the 2022-23 Interim Audit Recommendation, payroll reconciliations are now completed fortnightly, aligning with the fortnightly pay runs. **Devolved Responsible Officer(s):** Manager Finance & Payroll Officer.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.6 Access to Synergy Finance Modules **Observations/Findings** On review of the access to Synergy Finance modules, it was noted that there are multiple users, named and unnamed who have access to all modules allowing transactions to be raised (for example in Accounts Payable) and then reported on through the general ledger, with the potential for prior manipulation. **Causes** • Absence of automated systems controls. • Allowance in the system for employees to cover or rotate in other peoples' roles without having their access halted or removed from their previous or substantive roles. **Potential Impact:** Potential for fraud and theft. **Inherent Risk Rating: Medium**	**It is recommended that:** 1. The Shire needs to perform a review of all access to Finance modules with a view to restricting all individuals' access such that no one officer can enter or change transaction data whilst also having access to change the reporting of such changes. **Residual Risk Rating: Low**	**Management Response:** A review of access to finance modules is in progress. Changes have been made to access levels with this work continuing. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2022-23.	**Management Update:** **COMPLETED** - with ongoing monitoring necessary. **Devolved Responsible Officer(s):** Manager Business Systems.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.2.7 Definitive Payroll – Higher Duties **Observations/Findings** The payroll does not have a separate classification for higher duties. When these higher duties occur, the rates are manually changed but do not appear on the face of the payroll report as a changed status. **Causes** • Absence of appropriate controls and new payroll software. **Potential Impact:** Inability to substantiate accuracy and compliance to third parties, and potential overpayments. **Inherent Risk Rating: Low**	**It is recommended that:** 1. The software supplier should be requested to add this classification **Residual Risk Rating: Low**	**Management Response:** The Shire has a process for approval of higher duties, including written confirmation of the agreement and rate. These changes are approved in fortnightly variance reports with supporting commentary. Manual processes to show higher duty approval have been assessed within the current software. They have proven unsuccessful, and the Shire will continue to work with the software provider to find a way to improve the identification of higher duties. **Responsibility:** Director Community and Corporate **Implementation Date:** 2023-24	**Management Update:** **COMPLETED** - with ongoing monitoring necessary. **Devolved Responsible Officer(s):** Manager Organisational Development & Payroll Officer.	To date, no additional resourcing requirements have been identified.

5.3 Legislative Compliance

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.3.1 Compliance Register **Observations/Findings** Although we have not found any evidence that changes to Regulations are not being tracked and actioned, there is no current compliance register being used to record that process. **Causes** • Absence in personnel business continuity. **Potential Impact:** Non-compliance with Regulations, including the potential for the absence of appropriate delegated authorities. **Inherent Risk Rating:** **Medium**	**It is recommended that:** 1. The Shire: • Expedites the purchase of the ATTAIN software package, which we have been advised, are currently being considered. And/or • Refreshes the previous register used for this purpose but refreshes it with all relevant legislation and other regulations rather than just the LGA 1995 material. **Residual Risk Rating: Low**	**Management Response:** The Shire is currently procuring the Attain by Integrity software package. **Responsibility:** Strategic Governance and Risk Coordinator **Implementation Date:** 2022.	**Management Update:** **COMPLETED** – Attain Software has been integrated and is now in use to track compliance actions against legislative requirements and broadening its use to include a compliance calendar function. **Devolved Responsible Officer(s):** Manager Governance and Risk.	To date, no additional resourcing requirements have been identified.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.3.2 Capital Expenditure Requirements for Long Term Financial Plan and Asset Management Plan **Observations/Findings** As per The OAG Audit Report 20/21, Section 50(1)(c) of the Local Government (Financial Management) Regulations 1996 requires the Shire to report the Asset Renewal Funding Ratio in its annual report. This has not been done for 2019, 2020, and 2021. To do this the Capital Expenditure for the Long-Term Financial Plan and the Asset Management Plan needs to be estimated. This estimation process was not evidenced. **Causes** • Asset Management Plan data not ready to be presented. **Potential Impact:** Lack of funding provision for asset maintenance and assets fall into a state of disrepair. Regulatory non-compliance. Poor accounting of/for capital assets. **Inherent Risk Rating: High**	**It is recommended that:** 1. The capital expenditure is estimated for both reports mentioned, and the reports completed to the satisfaction of the OAG. **Residual Risk Rating: Low**	**Management Response:** Agree with the recommendation. The Shire is investigating the onboarding of a new Asset Management Plan and supporting the asset management system. This issue is being considered by DLGSC as part of the Local Government Act reform program. **Responsibility:** Director Community and Corporate. **Implementation Date:** 2023-24.	**Management Update:** **COMPLETED** – Software integration and training has commenced. Software providers – APV Valuers and Asset Management. **Devolved Responsible Officer(s):** Director Community & Corporate, Director Infrastructure & Development & Manager Projects, Engineering and Assets.	The 2023-24 Annual Budget allocated $20,000 to procure and onboard an Asset Management software solution to support the monitoring and maintenance of the Shire's Asset Management Strategy.

Observation(s) and Ratings	Recommendations	Management Response	Progress Report November 2024	Resourcing
5.3.3 Internal Audit **Observations/Findings** The Shire does not have a regular Internal Audit function, rather they go to market as and when required, usually to conduct the regulated audits (Reg 5 and Reg 17). In the absence of an Internal Audit function, the Shire does not have a Strategic Internal Audit Plan to identify and document areas of audit risk and audit focus. **Causes** • Business maturity with respect to Internal Audit. • Limited resources to dedicate to an internal audit function. **Potential Impact:** Missed opportunity for early identification/prevention of control and governance breakdowns, and limited improvement prospects for strengthening of operations. **Inherent Risk Rating: Medium**	**It is recommended that the Shire consider:** 1. Commissioning the production of a Strategic Internal Audit Plan (1-, 2- or 3-year horizon) to identify areas of risk (strategic through to operational). This would be considered and prioritised by the Audit Committee to guide future internal audit and review activities. 2. Establish a part-time IA function. While it is understood an in-house function is not economically viable, it may be possible to call for quotes to provide a fixed number of hours per year from firms on the CUA or WALGA panel to deliver against an approved Strategic Internal Audit Plan (as per recommendation 15) **Residual Risk Rating: Low**	**Management Response:** Agree with investigating the feasibility and viability of establishing an internal audit function. Consider implementing this function through options including: 1. 0.50 FTE appointment of an Internal Audit Officer to perform duties. 2. External quote process with suitable organisations to perform internal audit functions on an agreed fixed hour contract basis. 3. Partner with a larger LG that can outsource their Internal Audit Staff to perform Internal Audit functions for the Shire. **Responsibility:** Director Community & Corporate **Implementation Date:** Feasibility study to be completed during 2022-23 and 2023-24 financial years with a recommendation report to Audit and Risk Committee.	**Management Update:** **COMPLETED –** The position of Internal Audit Officer has been included in the Shire's 2024-2028 Work Force Planning (WFP) document and scheduled for recruitment FY2025/26 pending endorsement of Council in April 2024 OCM. **Devolved Responsible Officer(s):** Director Community & Corporate & Manager Finance.	Projected salary for this position is $80,000 and if approved via the WFP, this cost will be included in the LTFP and respective draft annual budget program.

Summary

Since reporting the quarterly progress update in March 2024, Officers have now actioned 12 of the 15 observations / recommendations presented in the final audit report.

Future progress reports will be provided to the Audit & Risk Committees with the intent that all recommendations will be finalised by May 2025, except for recommendations linked to the onboarding of a new ERP system or where physical resourcing requirements are linked to the Shire's Workforce Plan, which may exceed the preferred completion timeframe.

The Shire will be undertaking a combined Regulation 17 and Regulation 5 Audit Review during the 2024/25 financial year with a report on the outcome of the reviews being presented to the Audit and Risk Committee by June 2025.

New recommendations / observations considered from this review will supersede the information contained in the Regulation 17 Review completed during the 2022/23 financial year.

Voting Requirements

Simple majority.

Officer's Recommendation – 5.2.

That the Audit and Risk Committee receive and review the quarterly Regulation 17 Progress Report in accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*.

5.3. Shire of Capel - Interim Audit Report - Year Ending 30 June 2024

Author	Director Community and Corporate Services, Samantha Chamberlain
Authorising Officer	Chief Executive Officer, Gordon MacMile
Nature of the Decision	Executive/Strategic Legislative
Attachments	1. Interim Management Letter Attachment - Shire of Capel - 30 June 2024 [**5.3.1** - 11 pages]
Confidential Status	*This item is not a confidential matter.*

Proposal

Review the findings identified during the Interim Audit for the year ending 30 June 2024 and review the Interim Audit Report as attached.

Officer's Recommendation

That the Audit and Risk Committee:

1. Consider the Interim Audit results for the year ending 30 June 2024.

2. Recommends that the Council endorse the Interim Audit Report and the accompanying 'Management Comments' as detailed in the Officer's Report.

3. Notes a '2023/24 Financial Audit Progress Report' will become a standard agenda item and be presented at future Audit and Risk Committee meetings until all actions are reported as 'complete'.

Background

Changes to the *Local Government Act 1995* enacted in 2005 required the Council to establish an Audit Committee. The delegation of powers and duties to the Audit Committee was agreed by the Council to accept responsibility for oversight of the financial affairs of the Shire of Capel.

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor, so the Council can be satisfied with the local government's performance in managing its financial affairs.

Local governments undergo an external financial audit on an annual basis and auditors are appointed through the Office of the Auditor General (OAG).

The Shire of Capel's Interim Audit commenced on Wednesday 29 May 2024 for two days and was conducted by three Officers from AMD Chartered Accountants, being the newly appointed Auditors for the Shire. The former appointed Auditors were Moore Australia (WA).

Audit Scope

The primary audit scope and objective is to express an opinion as to whether the Shire's general purpose financial report as a whole is free from material misstatements (whether due to fraud or error) and is prepared (in all material respects) in accordance with applicable Australian Accounting Standards, the *Local Government Act 1995* (as amended) and the *Local Government (Financial Management) Regulations 1996* (as amended).

The audit also reports on the following matters in accordance with Reg 10(3) of the *Local Government (Audit) Regulations 1996:*

- Significant adverse trends in the financial position or the financial management practices of the Shire.
- Non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law.
- Whether all required information and explanations were obtained by the auditor.
- Whether all audit procedures were satisfactorily completed in conducting the audit.

Audit Approach

The audit process generally consists of three phases - planning, fieldwork and completion.

The audit approach focuses on areas that represent a higher risk to the business. The auditor's methodology uses a risk-based approach to evaluate and, when appropriate, to test the effectiveness of internal controls with the expectation that a moderate level of reliance can be placed on the operating controls.

The most critical aspect of audit planning is the assessment of risk and consideration of where material misstatements could occur.

A combined assessment of inherent and control risk for significant accounts and the related financial statement assertions will be made. This will establish a portfolio of audit procedures that are customised based on the Shire's significant accounts, critical areas, disclosures and classes of transactions, as well as the assessment of risk, including the risk of fraud.

Audit procedures include both substantive tests of account details and tests of internal controls for significant account balances, transactions and disclosures.

Previous Committee Decision

AC018/2023 – That the Audit and Risk Committee:

1. Considered the final audit findings for the year ending 30 June 2023 and notes the Shire has received an 'Unqualified Opinion' endorsing a clean audit outcome for the Shire.

2. Recommended that the Council endorses the Final Audit Management Report.

3. Noted the Independent Auditor's Report and Annual Financial Report (AFR) will be included in the 2022-23 Annual Report.

Statutory Framework

State Framework

Local Government Act 1995

Division 5 — Annual reports and planning

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 7.12 AD (1) for the financial year; and

Division 3 — Conduct of audit

7.9. Audit to be conducted
(1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
(a) the mayor or president; and
(b) the CEO of the local government; and
(c) the Minister.

7.12AD. Reporting on a financial audit
(1) The auditor must prepare and sign a report on a financial audit.

Local Government (Audit) Regulations 1996

16. Functions of audit committee
An audit committee has the following functions —
(a) to guide and assist the local government in carrying out —
(i) its functions under Part 6 of the Act; and

(ii) its functions relating to other audits and other matters related to financial management;
(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
(c) to review a report given to it by the CEO under regulation 17(3) (the *CEO's report*) and is to —
(i) report to the council the results of that review; and
(ii) give a copy of the CEO's report to the council;
(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
(i) regulation 17(1); and

(ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);

(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

(f) to oversee the implementation of any action that the local government —

(i) is required to take by section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and

(iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

Decision Framework

Strategic Community Plan 2023 to 2033

Direction 4 - Deliver good leadership, governance, and decision-making:
4.1 Effective and compliant governance.
4.2 Informed and transparent decision making.

Corporate Business Plan – 2024-2028

FIN 8 -Annual and Monthly Reporting Requirements – Statutory reporting of income and expenditures to the Council and regulatory authorities.
FIN 11 – Financial Auditing - Ensure financial systems remain compliant with all relevant legislation.
FIN 12 – Fair Valuation of Assets – Valuation of assets in accordance with AASB 13 Standard

Policy Framework

The following Shire Policies apply:
Policy 2.35 Legislative Compliance.

Implications

Risk Implications

Risk	Likelihood	Consequence	Mitigation
Risk 1 Financial **Rating:** Medium	Unlikely	Moderate	Ensure compliance with state legislation and Financial Management Regulations through contemporary financial control mechanisms and accurate financial reporting.
Risk Description: Failure to fulfil compliance requirements both statutory and regulatory.			

Financial Implications

Budget

The cost of works associated with the 2023/24 external audit process is included within the 2024/25 Annual Budget and is a statutory requirement through the Office of the Auditor General WA.

Long Term

There are no long-term financial implications associated with this matter, as no assets are being created or additional costs to be accounted for.

Sustainability Implications

Constant improvement to the Shire's internal systems and procedures is essential to the sound management of the Shire's governance framework. This facilitates consistent and equitable decision making, which is essential to create positive social, economic and environmental impacts in the community.

Consultation/Engagement

External Consultation
The following timeline is a broad outline of the key deliverables and timing aspects of the audit process:

- Onsite Interim Audit by AMD 29-30 May 2024.
- Onsite Final Audit by AMD 9-10 September 2024.
- AMD provide OAG clearance for Audit File Review including all applicable Contractor deliverables / reports early to mid-October 2024.
- OAG complete Final Audit Review early November 2024.
- AMD to provide the signed AMD Audit Report, stamped Financial Statements, final Management Letter and signed Representation Letter to OAG mid-November 2024.
- OAG to issue signed Audit Report and Management Letter to the Shire prior to the scheduled Audit Exit Meeting.
- Audit Exit Meeting scheduled for Friday 29 November 2024.

The timely delivery and success of the audit process is contingent upon the availability of requested audit documentation and key internal / external personnel adhering to the audit timeline.

There was a delay in reporting the 2023/24 Interim Audit Findings to the Audit and Risk Committee this year due to the OAG not returning the report in a timely manner.

The Shire sent a letter of complaint to the OAG detailing concerns with the reporting delays and received an apology, with the report being released soon after.

Internal Consultation

The Executive Management Team, Management Team and Finance Officers were consulted throughout this process.

Officer's Comment

The attached 'Shire of Capel Interim Management Letter' identifies six Audit Findings, with no previous year's (FY2022/23) Findings being identified.
An extract from the 'Shire of Capel Interim Management Letter' details the Finding as follows:

Table 1.

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. IT and cyber security controls	No		✓		
2. Purchase orders dated after the invoice date	No		✓		
3. Non-compliance with Section 5(2)(c) of the Local Government (Financial Management) Regulations 1996	No		✓		
4. Credit card exceptions	No		✓		
5. Sundry debtor credit notes	No			✓	
6. Documented policies and procedures	No			✓	

The ratings included are preliminary ratings and could be modified pending other Findings being identified, rated and the consideration of them collectively on the ratings and any potential impact on the audit opinion.

The following information presents each Finding in detail with an accompanying 'Management Comments' of how the Finding will be mitigated.

1. IT AND CYBER SECURITY CONTROLS

Finding
From our review of the IT and cyber security controls we identified the following exceptions:

- There is no existing cyber security policy in place;
- There is no established cyber security response plan;
- No cyber security training is undertaken by employees;
- Vulnerability and penetration testing are not performed;
- The Shire has not developed an IT strategic plan;
- An IT risk register has not been established;
- No periodic review of user access to critical systems undertaken;
- No change management policy in place to monitor changes to IT systems and infrastructure;

- No periodic review of software and network infrastructure security undertaken; and
- The disaster recovery plan has not been tested since it was last updated in November 2023.

Rating: Moderate

Implication

- The absence of clear IT policies exposes the Local Government to security risks, data breaches and inefficiencies.
- Without an appropriate cyber security response plan in place, the Shire may not be sufficiently prepared to act in the event of a cyber security threat or staff may not be aware of processes that should be followed. This may lead to the Shire's system being compromised, impacts on service delivery, unauthorised access to sensitive information, and potentially financial loss to the Shire.
- The absence of cyber security related training exposes the Shire to increased vulnerability, as employees may lack awareness of security threats, best practice and proper response protocols.
- Failure to conduct vulnerability assessment and penetration testing exposes the Shire to potential security vulnerabilities, increasing the risk of data breaches.
- The absence of an IT related strategy hinders the Shire's ability to make informed decisions about technology investments and implementation, potentially resulting in inefficiencies and lack of identification of opportunities for improvement.
- Lack of adequate risk assessment identification, evaluation and mitigating internal control processes in relation to Information Technology and Cyber Security risks.
- Failing to periodically review user access to critical systems may result in unnecessary access rights, potentially increasing the risk exposing sensitive data to unauthorised individuals.
- The absence of a formal change management policy makes it difficult to track and control changes to IT systems and infrastructure, increasing the risk of unintended disruptions to operations.
- Failure to conduct periodic reviews of software and network infrastructure security potentially exposes the Shire to cyber-attacks and data breaches.
- Increased risk of unauthorised access to the Shire's IT systems and sensitive data.

Recommendation

We recommend the Shire:

- Develops and implements a cyber security policy;
- Develops a cyber security plan that includes the following key areas:
    - Risk assessment of the Shire's IT security control environment;
    - Identification of safeguards and protections in place; and
    - Action plan in the event of a cyber security event, including outlining the roles and responsibilities of staff during such an event;
- Implement comprehensive cyber security training programs for all employees addressing areas such as password security, recognising phishing attempts, safe browsing habits and incident reporting procedures. Regularly update training materials to address emerging threats;
- Conduct regular vulnerability assessment and penetration testing to identify and address potential security vulnerabilities;
- Create an IT related strategy to guide technological decisions and initiatives, aligning them with the Shire's overall objectives;
- A comprehensive risk identification, evaluation and mitigation process be undertaken to ensure all potential risks associated with Information technology, specifically Cyber

Security, are considered and documented. Subsequently we recommend the risk register be updated to include specific Information Technology and Cyber Security risks such as Ransomware breaches, data breaches due to phishing emails, general data breaches, reputational damage and related media which may be required in the event of a Cyber Security breach etc.;
- Conduct regular use access reviews to critical systems to ensure appropriate access rights and permissions are current;
- Implement a formal change management policy to track and control changes to IT systems and infrastructure, minimising potential disruptions;
- Conduct periodic reviews of software and network infrastructure security addressing any potential areas for improvement identified from each review; and
- The Disaster Recovery Plan be tested to ensure it is adequate and will effectively mitigate disruption in the event of unforeseen circumstances.

Management comments

Comments from Manager Business & Technology Services addressing the Findings and Recommendations as follows:

1. There is no existing cyber security policy in place.

    - *Agreed – The Shire will look to create a Cyber Security Policy integrated across to an Information Management Policy and Privacy and Responsible Information Sharing Policy in the coming financial year.*

2. There is no established cyber security response plan.

    - *Agreed - A Cyber Security Response Plan will be included as part of the Response to Technology Threats Management Procedure.*
    - *Note - The current Business Systems Disaster Recovery Plan (DRP) does cover cyber security responses and activities under the heading 'Plan triggering events.'*

3. No cyber security training is undertaken by employees.

    - *Cyber security training is currently ad hoc and not documented, this will be rectified before December 2024.*
    - *A software product has been implemented that both tests and trains users in cyber security awareness. Rollout has begun to gather information.*
    - *Cyber security awareness and expectation is discussed with staff at induction.*
    - *Regular scheduled training programs for cyber security awareness will be included in the team's project schedule in 2025-26 financial year.*

4. Vulnerability and penetration testing are not performed.

    - *Noted, but we disagree – Vulnerability scans are conducted daily through a software product; however, the process is still heavily manual and is being worked on in the 24-25 FY to better automate responses.*
    - *Agree - Penetration testing is currently done in an undocumented and ad hoc manner. An agreed annual rotation on desktop and external testing is planned with 24-25 FY being desktop focused.*

5. The Shire has not developed an IT strategic plan.

- *Agreed – Previous plan expired in 2022 and due to a lack of resources a replacement was not drafted. A 2025-2030 draft ICT Strategic Plan is due to be presented to the Council at the February 2025 OCM.*

6. An IT risk register has not been established.

    - *Noted, but disagree – We do not feel that a specific ICT risk register is required. Currently ICT risks are listed in the Corporate Risk Register and the addition of a specific ICT register would create duplication and unnecessary work for the size of the organisation.*
    - *The level of detail provided for ICT risks added to the Corporate Risk Register can be improved and will be examined as part of the mid-year project reviews 2024-25.*

7. No periodic review of user access to critical systems undertaken.

    - *Noted, but disagree – No documented process exists however, projects are defined annually to review access to critical systems. FY 2022-23 had been Active Directory structure review and 2023-24 was Synergysoft users and 2024-25 is the Windows security groups.*

    - *In the coming financial year, the Technology team will seek to better document and define a process for both measurement and replication. However, the business does not currently have the resources to conduct this work across all systems on a regular annualised basis.*

8. No change management policy in place to monitor changes to IT systems and infrastructure.

    - *Agreed – The Business Services and Technology Team does not currently have a formal process for system change management. It should be noted that this level of change management is highly onerous and currently the resourcing of this will be an issue. Improvements will be designed and scheduled in the coming financial year's IT project planning framework.*

    - *Note – The Business Services and Technology Team do use a formal 'Statement of Requirement' form to request and track change requests from staff, however, will seek to improve documentation around changes off the back of this.*

9. No periodic review of software and network infrastructure security is undertaken.

    - *Agreed – No documented process currently exists and will be designed and implemented as part of an IT project in the coming financial year.*

    - *Note – Infrastructure such as switching, storage and the like is scanned daily by a software application. However, it is noted that physical access and review of logging is manual and not formally documented at present.*

10. The disaster recovery plan has not been tested since it was last updated in November 2023.
    - *Agreed – No recent formal test has been conducted or documented. A formal process will be documented, and schedules will be implemented in 25-26 and onwards.*
    - *Note – A Disaster Recovery Plan (DRP) and multiple procedures do exist and is reviewed annually.*

- *Note – The Technology team are building a desktop review and intend to run it with key stakeholders this 24-25 financial year.*
- *Note - Governance and Organisational Development are scheduling a test of the Business Continuity Plan (BCP) this financial year and includes the Disaster Recovery Plan.*

Responsible person: Manager Business Systems
Completion date: Ongoing – progress reporting to the Audit and Risk Committee quarterly.

2. PURCHASE ORDERS DATED AFTER THE INVOICE DATE

Finding

From our testing of 21 purchase orders, we noted two instances where the purchase orders were issued after the tax invoices totaling $14k.

Rating: Moderate

Implication

There is a higher risk of unauthorised goods and services purchased, and liabilities incurred.

Recommendation

We recommend purchase orders be completed prior to incurring expenditure with exceptions of utilities and regular payments.

Management comment

Comments from Manager Finance addressing the Findings and Recommendations as follows:

Agree with the Finding and the Recommendation.

Procurement training for staff to have access to the purchase order software directs purchase orders to be completed prior to incurring expenditure. A report from the purchase order system is produced to examine purchase orders issued after the tax invoice.

The circumstances that have occurred are discussed with the purchasing Officer to raise a level of awareness of the timing of issuing the purchase order. There is not a deliberate raising of a purchase order after the invoice date.

Responsible person: Manager Finance

Completion date: Internal Procurement Training will be scheduled regularly, with the first session being conducted before December 2024.

3. NON-COMPLIANCE WITH SECTION 5 (2)(c) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

Finding

The financial management systems were not reviewed by the CEO in a timely manner, with the most recent review conducted in May 2020.

Section 5 (2)(c) of the Local Government (Financial Management) Regulations 1996, requires the CEO to 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.

Rating: Moderate

Implication

Non-compliance with Section 5 (2)(c) of the Local Government (Financial Management) Regulations 1996

Recommendation
The financial management systems review should be completed no later than once every three years.

Management comment

Comments from Director Community and Corporate addressing the Findings and Recommendations as follows:

Agree with the Finding and Recommendation.

The Local Government (Financial Management) Regulations 1996 Section 5 (2)(c) Financial Management Systems and Procedures Review and the Local Government (Audit) Regulations 1996 Regulation 17 Risk Review is budgeted for completion during 2024/25.

It is intended to complete both reviews simultaneously, procuring one external Consultant to conduct the work, and create efficiencies through streamlining the two review and reporting processes.

Responsible person: Director Community and Corporate
Completion date: During financial year 2024/25.

4. CREDIT CARD EXCEPTIONS

Finding
From our testing of the credit card's internal controls, we noted the following exceptions:

- A credit card register is not maintained;
- Credit card agreements do not outline card details and delegated limits;
- Instances whereby the CEO countersigned the Corporate Credit Card – Request to Use form for his own credit card transactions; and
- The Director Community & Corporate's credit card transactions are not consistently independently reviewed by the CEO (occasions noted where the Director Community & Corporate signed their own credit card statements).

Rating: Moderate

Implication

- There is a higher risk of unauthorised goods and services purchased, and liabilities incurred.
- Undocumented credit card details and credit limits may cause confusion and potential breach of the credit card agreement.
- Risk of non-compliance with *Local Government Operational Guideline - 'Use of Corporate Credit Cards'*.
- Risk that error or fraud may not been detected on a timely basis.

Recommendation

We recommend:

- A register of credit card holders be maintained outlining credit card details, limits, expiry dates signed credit card agreement details;
- The credit card agreement be updated to include the specific details relating to the credit card holder including card details and limits;
- Corporate Credit Card – Request to Use forms be independently countersigned; and
- A senior member of the team independently reviews and signs the credit card statement on a monthly basis as evidence of independent review. The independent review should not be undertaken by the cardholder, rather a more senior member of the executive team, for example the Director of Community & Corporate's credit card should be independently reviewed by the CEO.

Management Comment

Comments from Manager Finance addressing the Findings and Recommendations as follows:

Agree with the Finding and the Recommendation.

The Corporate Credit Card Agreement is maintained in the Signature Register which includes the purchasing authorisation and signature records. A separate register of credit card holders is not maintained as mentioned in the Auditor's comment. The current Corporate Credit Card Agreement signature document references the Corporate Credit and Debit Card Policy and the procedure for purchasing corporate credit and debit cards.

Moving forward, a separate register of credit card holders will be maintained outlining credit card details, limits, expiry dates and signed credit card agreement details.

The credit card agreement will be updated to include the specific details relating to the credit card holder including card details and limits.

Corporate Credit Card – Request to Use forms will be independently countersigned, with an independent review of the credit card statement being conducted by a senior team member who is not a card holder.

Responsible person: Manager Finance
Completion date: Immediate – Immediate - new internal process already commenced.

5. SUNDRY DEBTOR CREDIT NOTES

Finding

Our sample testing of sundry debtor credit notes identified an instance where the Sundry Debtor Credit Note Request Form for $96k was not independently reviewed.

Rating: Minor

Implication

The absence of independent review of credit note transactions increases the risk of unauthorised sundry debtor credit notes being raised.

Recommendation

We recommend all credit notes be independently reviewed with evidence of the independent review noted on the Sundry Debtor Credit Note Request Form.

Management comment

Comments from Manager Finance addressing the Findings and Recommendations as follows:

Agree with the Finding and Recommendation.

All credit notes being raised to be independently reviewed with evidence of the independent review noted on the Sundry Debtor Credit Note Request Form.

Responsible person: Director Community and Corporate
Completion date: Immediate – new internal process already commenced.

6. DOCUMENTED POLICIES AND PROCEDURES

Finding

During our review of various Shire policies and procedures, we noted the following:

- The Risk Management Policy and Framework was last reviewed March 2022 and does not specify the next review date. The current Risk Management Policy and Framework also requires enhancement as the current framework does not address the five key areas for an effective framework including:
    - Risk identification;
    - Risk measurement;
    - Risk mitigation;
    - Reporting and monitoring; and
    - Governance.

- The Fraud & Corruption Policy was not reviewed in accordance with the stated next review date of December 2021 and lacks detail relating to how the Shire will practically address fraud and corruption within the following key stages:
    - Planning and resourcing;
    - Prevention;
    - Detection and
    - Response.

- The Financial Reports Policy was not reviewed in accordance with the stated next review date of December 2021.

Rating: Minor

Implication

Without approved policies and procedures, staff may be unaware of Council and management's expectations regarding how they conduct themselves and perform various key transactions and activities. This can lead to errors, fraud and/or non-compliance.

Recommendation

We recommend the above policies be reviewed and updated to reflect the Shire's current practices.

Management comment

Comments from Manager Governance & Risk addressing the Findings and Recommendations as follows:

1. Risk Management Framework

   A minor amendment of the framework occurred on 29 March 2023 for the inclusion of the risk tolerances table.

   A major review is planned for this current financial year (2024/25). It has been identified that greater detail could be included to suit the business as follows:

   - *Risk identification – This has not been addressed in our Framework. Will ensure that part of the review will include guiding information and processes on the identification of risks. Risk is currently addressed in our reports to the Council, Corporate Risk Register, internal meetings, project frameworks and corporate documents.*
   - *Risk measurement – The Risk Framework currently has likelihood and consequences to determine the risk rating. The risk rating is the Shire's current measurement.*
   - *Risk mitigation - Reporting occurs on risk mitigation through the Corporate Risk Register and Officer reports. However, agree that mitigation needs to be addressed within the framework. Will incorporate into the review.*
   - *Reporting and monitoring – The Shire have a Risk Management Procedure that addresses the process of reporting on risks. The Risk Management Policy also addresses the requirement for the oversite of the Audit and Risk Committee.*
   - *Governance – The Risk Policy, Procedure and Framework outline the requirements of the business to ensure good governance. However, agree that the key principles could be better reflected within the framework. Look to incorporate this into the review.*

2. Fraud & Corruption Policy

   A minor review of the policy occurred during a policy review that was taken to Council on the 25 May 2022 to ensure the importance and retainment of the policy. However, an additional review was missed. The policy review is scheduled to be completed within the next 6 months. The next review will consider the outlined key stages and the need to develop a management procedure.

3. Financial Reports Policy

A minor review of the policy occurred during a policy review that was taken to Council on the 25 May 2022 to ensure the importance and retainment of the policy. However, an additional review was missed. The policy review is scheduled to be completed within the next 6 months.

Responsible person: Manager Governance and Risk
Completion date: 2024/25

Please note – In light of the delay in receiving the Interim Management Report from the OAG, some of the Management Comments above may have slight amendments to the attached version, which reflects internal discussions with Officers on effectively implementing the mitigating strategies and timeline for each Finding.

As per Officer's Recommendation 3, the development of a 2023/24 Financial Audit Progress Report' will become a standard agenda item to be presented at future Audit and Risk Committee meetings until all actions identified above are reported as 'complete'.

Summary

The 2023/24 Interim Financial Audit identified six Findings, four moderate and two minor in nature.

Of the six identified, two Findings (number four and five) have now been actioned with mitigation strategies now in place.

Shire Officers welcome the Findings received through the interim audit process, guiding Officers to ensure all financial activity is both compliant with the current standards and is contemporary through financial functions to ensure good governance and transparency.

Voting Requirements

Simple Majority.

Officer's Recommendation – 15.3

That the Audit and Risk Committee:

1. **Consider the Interim Audit results for the year ending 30 June 2024.**

2. **Recommends that the Council endorse the Interim Audit Report and the accompanying 'Management Comments' as detailed in the Officer's Report.**

3. **Notes a '2023/24 Financial Audit Progress Report' will become a standard agenda item and be presented at future Audit and Risk Committee meetings until all actions are reported as 'complete'.**

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. IT and cyber security controls	No		✓		
2. Purchase orders dated after the invoice date	No		✓		
3. Non-compliance with Section 5(2)(c) of the Local Government (Financial Management) Regulations 1996	No		✓		
4. Credit card exceptions	No		✓		
5. Sundry debtor credit notes	No			✓	
6. Documented policies and procedures	No			✓	

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

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. IT and cyber security controls

Finding
From our review of the IT and cyber security controls we identified the following exceptions:

- There is no existing cyber security policy in place;
- There is no established cyber security response plan;
- No cyber security training is undertaken by employees;
- The Shire has not developed an IT strategic plan;
- No change management policy in place to monitor changes to IT systems and infrastructure;
- No periodic review of software and network infrastructure security undertaken; and
- The disaster recovery plan has not been tested since it was last updated in November 2023.

Rating: Moderate

Implication
- The absence of clear IT policies exposes the Local Government to security risks, data breaches and inefficiencies.
- Without an appropriate cyber security response plan in place, the Shire may not be sufficiently prepared to act in the event of a cyber security threat or staff may not be aware of processes that should be followed. This may lead to the Shire's system being compromised, impacts on service delivery, unauthorised access to sensitive information, and potentially financial loss to the Shire.
- The absence of cyber security related training exposes the Shire to increased vulnerability, as employees may lack awareness of security threats, best practice and proper response protocols.
- Failure to conduct vulnerability assessment and penetration testing exposes the Shire to potential security vulnerabilities, increasing the risk of data breaches.
- The absence of an IT related strategy hinders the Shire’s ability to make informed decisions about technology investments and implementation, potentially resulting in inefficiencies and lack of identification of opportunities for improvement.
- Lack of adequate risk assessment identification, evaluation and mitigating internal control processes in relation to Information Technology and Cyber Security risks.
- Failing to periodically review user access to critical systems may result in unnecessary access rights, potentially increasing the risk exposing sensitive data to unauthorised individuals.
- The absence of a formal change management policy makes it difficult to track and control changes to IT systems and infrastructure, increasing the risk of unintended disruptions to operations.
- Failure to conduct periodic reviews of software and network infrastructure security potentially exposes the Shire to cyber attacks and data breaches.
- Increased risk of unauthorised access to the Shire’s IT systems and sensitive data.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Recommendation
We recommend the Shire:

- Develops and implements a cyber security policy;
- Develops a cyber security plan that includes the following key areas:
  - Risk assessment of the Shire's IT security control environment;
  - Identification of safeguards and protections in place; and
  - Action plan in the event of a cyber security event, including outlining the roles and responsibilities of staff during such an event;
- Implement comprehensive cyber security training programs for all employees addressing areas such as password security, recognising phishing attempts, safe browsing habits and incident reporting procedures. Regularly update training materials to address emerging threats;
- Create an IT related strategy to guide technological decisions and initiatives, aligning them with the Shire's overall objectives;
- Conduct regular use access reviews to critical systems to ensure appropriate access rights and permissions are current;
- Implement a formal change management policy to track and control changes to IT systems and infrastructure, minimising potential disruptions;
- Conduct periodic reviews of software and network infrastructure security addressing any potential areas for improvement identified from each review; and
- The Disaster Recovery Plan be tested to ensure it is adequate and will effectively mitigate disruption in the event of unforeseen circumstances.

Management comment
Comment from Manager Business & Technology Services addressing the findings and recommendations are below.

1. *There is no existing cyber security policy in place.*
   - *Noted – The Shire will not be creating a policy for this and has drafts for the following internal management procedures. Management Procedures are a more relevant positioning for this information. These Management Plans will likely be referenced in the Privacy and Responsible Information Management Policy or an Information Management Policy when released.*
     - *Data Breach Response Management Plan (in draft for Executive approval November)*
     - *Response to Technology Threats Management Plan (In draft, scheduled for completion 2024-25 Financial Year)*
     - *Response to Physical and Social Threats Management Plan (In draft, scheduled for completion 25-26 Financial Year)*
2. *There is no established cyber security response plan.*
   - *Agreed - A Cyber Security Response Plan will be included as part of the Response to Technology Threats Management Procedure*
   - *Note - The current Business Systems Disaster Recovery Plan (DRP) does cover cyber security responses and activities under the heading 'Plan triggering events.'*

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. *No cyber security training is undertaken by employees.*
    - *Agreed – It is currently ad hoc and not documented, this will be rectified before December 2024.*
    - *A software product has been implemented that both tests and trains users in cyber security awareness. Rollout has begun to gather information.*
    - *Cyber security awareness and expectation is discussed with staff at induction.*
    - *Regularly scheduled training programs for cyber security awareness will be investigated as part of the team project schedule in 2025-26 financial year.*
4. *The Shire has not developed an IT strategic plan.*
    - *Agreed – Previous plan expired in 2022 and due to a lack of resources a replacement was not drafted. A 2024-2029 draft ICT Strategic plan is due to be presented to council at the October OCM.*
5. *No change management policy in place to monitor changes to IT systems and infrastructure.*
    - *Agreed – the Technology team does not currently have a formal process for system change management. It should be noted that this level of change management is highly onerous and currently resourcing of this will be an issue. Improvements will be designed and scheduled in the coming financial year's IT project planning framework.*
    - *Note – The Business Services and Technology team do use a formal 'Statement of Requirement' form to request and track change requests from staff however will seek to improve documentation around changes off the back of this.*
6. *No periodic review of software and network infrastructure security undertake.*
    - *Agreed – No documented process currently exists and will be designed and implemented as part of an IT project in the coming financial year.*
    - *Note – Infrastructure such as switching, storage etc is scanned daily by software application however it is noted that physical access and review of logging is manual and not formally documented.*
7. *The disaster recovery plan has not been tested since it was last updated in November 2023.*
    - *Agreed – No recent formal test has been conducted or documented. A formal process will be documented, and schedules will be implemented in 25-26 and onwards.*
    - *Note – A Disaster Recovery Plan (DRP) and multiple procedures do exist and is reviewed annually.*
    - *Note – The Technology team are building a desktop review and intend to run it with key stakeholders this 24-25 financial year.*
    - *Note - Governance have scheduled a test of the Business Continuity Plan (BCP) this financial year this includes the Disaster Recovery Plan.*

Director Community and Corporate and Manager Business Systems are in constant discussion on the resourcing levels and programs for IT and cyber security controls. The Manager Business Systems is aware of the issues raised and they are being addressed and are at various stages of implementation.

Responsible person: Manager Business Systems
Completion date: Ongoing

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. Purchase orders dated after the invoice date

Finding
From our testing of 21 purchase orders, we noted two instances where the purchase orders were issued after the tax invoices totalling $14k.

Rating: Moderate

Implication
There is a higher risk of unauthorised goods and services purchased and liabilities incurred.

Recommendation
We recommend purchase orders be completed prior to incurring expenditure with exceptions of utilities and regular payments.

Management comment
Agree with the finding and the recommendation. Procurement training for staff to have access to the purchase order software directs purchase orders to be completed prior to incurring expenditure. A report from the purchase order system is produced to examine purchase orders issued after the tax invoice. The circumstances that have occurred are discussed with the purchasing officer to raise a level of awareness of the timing of issuing the purchase order. Often there is not a deliberate raising of a purchase order after the invoice date.

Responsible person:	Manager Finance
Completion date:	Internal Procurement Training will be scheduled regularly, with the first session being conducted before December 2024

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. Non-compliance with Section 5 (2)(c) of the Local Government (Financial Management) Regulations 1996

Finding
The financial management systems were not reviewed by the CEO in a timely manner, with the most recent review conducted in May 2020.

Section 5 (2)(c) of the Local Government (Financial Management) Regulations 1996, requires the CEO to 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 three financial years) and report to the local government the results of those reviews.

Rating: Moderate

Implication
Non-compliance with Section 5 (2)(c) of the Local Government (Financial Management) Regulations 1996

Recommendation
The financial management systems review should be completed no later than once every three years.

Management comment
Agree with the finding and recommendation. The Local Government (Financial Management) Regulations 1996 Section 5 (2)(c) financial management systems and procedures review and the Local Government (Audit) Regulations 1996 regulation 17 risk review is budgeted for completion during 2024/25. It is intended to complete both reviews simultaneously, procuring one external Consultant to conduct the works, and create efficiencies through streamlining the two review processes.

Responsible person: Director Community and Corporate
Completion date: 2024/25

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

4. Credit card exceptions

Finding
From our testing of the credit card's internal controls we noted the following exceptions:

- A credit card register is not maintained;
- Credit card agreements do not outline card details and delegated limits;
- Instances whereby the CEO countersigned the Corporate Credit Card – Request to Use form for his own credit card transactions; and
- The Director Community & Corporate's credit card transactions are not consistently independently reviewed by the CEO (occasions noted where the Director Community & Corporate signed their own credit card statements).

Rating: Moderate

Implication
- There is a higher risk of unauthorised goods and services purchased and liabilities incurred.
- Undocumented credit card details and credit limits may cause confusion and potential breach of the credit card agreement.
- Risk of non-compliance with Local Government Operational Guideline - 'Use of Corporate Credit Cards'.
- Risk that error or fraud may not been detected on a timely basis.

Recommendation
We recommend:

- A register of credit card holders be maintained outlining credit card details, limits, expiry dates signed credit card agreement details;
- The credit card agreement be updated to include the specific details relating to the credit card holder including card details and limits;
- Corporate Credit Card – Request to Use forms be independently countersigned; and
- A senior member of the team independently reviews and signs the credit card statement on a monthly basis as evidence of independent review. The independent review should not be undertaken by the cardholder, rather a more senior member of the executive team, for example the Director of Community & Corporate's credit card should be independently reviewed by the CEO.

Management comment
Agree with the finding and the recommendation.

The Corporate Credit Card Agreement is maintained in the signature register which includes the Purchasing Authorisation and Signature records. A separate register of credit card holders is not maintained. The current Corporate Credit Card Agreement signature document references Corporate Credit and Debit Cards Policy and the procedure for purchasing corporate credit and debit cards.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

A separate register of credit card holders to be maintained outlining credit card details, limits, expiry dates and signed credit card agreement details.

The credit card agreement to be updated to include the specific details relating to the credit card holder including card details and limits.

Corporate Credit Card – Request to Use forms to be independently countersigned. Independent review of the credit card statement by a senior team member who is not a card holder.

Responsible person: Manager Finance
Completion date: Immediate, new internal process already commenced.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

5. Sundry debtor credit notes

Finding
Our sample testing of sundry debtor credit notes identified an instance where the Sundry Debtor Credit Note Request Form for $96k was not independently reviewed.

Rating: Minor

Implication
The absence of independent review of credit note transactions increases the risk of unauthorised sundry debtor credit notes being raised.

Recommendation
We recommend all credit notes be independently reviewed with evidence of the independent review noted on the Sundry Debtor Credit Note Request Form.

Management comment
Agree with the finding and recommendation. All credit notes being raised to be independently reviewed with evidence of the independent review noted on the Sundry Debtor Credit Note Request Form.

Responsible person: Director Community and Corporate
Completion date: Immediate, new internal process already commenced.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

6. Documented policies and procedures

Finding
During our review of various Shire policies and procedures, we noted the following:

- The Risk Management Policy and Framework was last reviewed March 2022 and does not specify the next review date. The current Risk Management Policy and Framework also requires enhancement as the current framework does not address the five key areas for an effective framework including:
  - Risk identification,
  - Risk measurement;
  - Risk mitigation;
  - Reporting and monitoring; and
  - Governance;
- The Fraud & Corruption Policy was not reviewed in accordance with the stated next review date of December 2021 and lacks detail relating to how the Shire will practically address fraud and corruption within the following key stages:
  - Planning and resourcing;
  - Prevention
  - Detection; and
- Response; and
- The Financial Reports Policy was not reviewed in accordance with the stated next review date of December 2021.

Rating: Minor

Implication
Without approved policies and procedures, staff may be unaware of Council and management's expectations regarding how they conduct themselves and perform various key transactions and activities. This can lead to errors, fraud and/or non-compliance.

Recommendation
We recommend the above policies be reviewed and updated to reflect the Shire's current practices.

ATTACHMENT

SHIRE OF CAPEL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Management comment
Comment from Manager Strategic Governance & Risk addressing the findings and recommendations are below.

- *Risk Management Framework*
  - *A minor amendment of the framework occurred on 29 March 2023 for the inclusion of risk tolerances table.*
  - *A major review is planning for this current financial year (2024/25). It has been identified that there is greater detail that could be included to suit the business.*
    - *Risk identification – This has not been addressed in our Framework. Will ensure that part of the review will include guiding information and processes on the identification of risks. Risk is currently addressed in our reports to Council, Corporate Risk Register, internal meetings, project frameworks and corporate documents.*
    - *Risk measurement – The Risk Framework currently has likelihood and consequence categorisation to determine the risk rating. The risk rating is the Shire's current measurement.*
    - *Risk mitigation - Reporting occurs on risk mitigation through the Corporate Risk Register and Officer reports. However, agree that mitigation needs to be addressed within the framework. Will incorporate into the review.*
    - *Reporting and monitoring – The Shire have a Risk Management Procedure that addresses the procedure of reporting on risks, the Risk Management Policy also addresses the requirement for the oversite of the Audit and Risk Committee.*
    - *Governance – The Risk Policy, Procedure and Framework outline the requirements of business to ensure good governance. However, agree that the key principles could be better reflected within the framework. Will incorporate this into the review.*
- *Fraud & Corruption Policy – A minor review of the policy occurred during a policy review that was taken to Council 25 May 2022 to ensure the importance and retainment of the policy. However, an additional review was missed. The policy review will be scheduled to be completed within the next six months. Will ensure to review with the outlined key stages and through the review consider any further management procedures that may need to be developed.*
- *Financial Reports Policy - A minor review of the policy occurred during a policy review that was taken to Council 25 May 2022 to ensure the importance and retainment of the policy. However, an additional review was missed. The policy review will be scheduled to be completed within the next six months.*

Responsible person: Manager Strategic Governance and Risk
Completion date: 2024/25

6. Meeting Closure