

SHIRE OF LEONORA



AUDIT AND RISK COMMITTEE MEETING

MINUTES OF MEETING HELD 21ST JUNE 2016, AT 11:20AM.

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURE

Nil

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

2.1 Present	
President	PJ Craig
Deputy President	MWV Taylor
Councillors	AE Taylor
	GW Baker
Deputy Chief Executive Officer	TM Browning

2.2 Apologies
Cr RM Cotterill
Cr RA Norrie
Cr LR Petersen
Mr JG Epis

3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Draft motion: That the Minutes of the Ordinary Meeting held on 15th March, 2016 be confirmed as a true and accurate record.

Moved Cr AE Taylor Seconded Cr GW Baker that the minutes of the Audit and Risk Committee Meeting held on the 15th March 2016 be confirmed as a true and accurate record.

CARRIED (4 VOTES TO 0)

4.0 REPORTS OF OFFICERS

4.1 CHIEF EXECUTIVE OFFICER

4.1(A) RISK EXECUTIVE REPORT

SUBMISSION TO: Meeting of Audit Committee
Meeting Date: 21st June, 2016

AGENDA REFERENCE:

SUBJECT: Risk Executive Report

LOCATION / ADDRESS: Nil

NAME OF APPLICANT: Nil

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Jim Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 14th June, 2016

BACKGROUND

On the 15th December 2015 the Council reviewed the appropriateness and effectiveness of the controls of the Shire of Leonora's systems and procedures as per Audit Regulation 17.

That the Council receive the minutes of the Audit & Risk Committee meetings held on 17th March 2015, 16th June 2015 and again on the 15th September 2015, and note the reports contained therein which serves as the report from the Audit & Risk Committee to Council on the review of appropriateness and effectiveness of the controls of the Shire of Leonora's systems and procedures as per Audit Regulation 17.

The Shire has undertaken a review of its risk profile and established a set of strategic and operational risks regularly reported to the Audit Committee.

The attached reports detail all strategic risks and those operational risks that are rated high with progress comments for the current period.

Both areas of risk are subject to change and modification during the year on the authorisation of the Chief Executive Officer and Audit Committee.

DETAILS

Annual reviews of risk actions should be undertaken to ensure alignment between risk actions, effectiveness of internal controls and management comments. This is at the core of regulation 17. Certain risk actions may have been completed, new risk actions arise and others remain ongoing for the next 12 months. The majority of the risks and controls require a review and once completed new review dates and risks will be set for 2016/2017. It is also suggested that the current Shire compliance framework be reviewed to ensure compliance with existing legislation and regulations and new and revised Departmental Operational Guidelines.

It is recommended that the Audit Committee NOTES:

The Strategic Risk – May 2016 Report

The Operational Risk – May 2016 Report

Areas of risk are subject to change and modification during the year on the authorisation of the Chief Executive Officer and Audit Committee, whom as per section regulation 17.1 of the Local Government (Audit) Regulations 1996 will continue to monitor the Appropriateness and Effectiveness of the Councils Systems and Procedures.

POLICY IMPLICATIONS

The Risk Management Policy outlines the Shire's commitment and approach to managing risks that may impact on its day-to-day operations and threaten the achievement of its objectives

FINANCIAL IMPLICATIONS

N/A

STRATEGIC IMPLICATIONS

The Chief Executive Officer should play a key role in the establishment and development of an effective risk management framework, as it ultimately sets the operational tone of the Council, and should reflect the ethics, integrity and values espoused by the Council.

The role of the audit committee is to govern the integrity of the entity's financial information, systems of internal control, risk and the legal and ethical conduct of management and employees.

Monitoring and reviewing activities will provide evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the Local Government (Audit) Regulations 1996.

RECOMMENDATIONS

That the Audit Committee:

- 1. Notes The Strategic Risk – May 2016 Report*
- 2. Notes The Operational Risk – May 2016 Report*
- 3. Requests that risk actions for 2016/2017 be presented to the next Committee Meeting for consideration*

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved Cr GW Baker, Seconded Cr MWV Taylor *that the Audit Committee:*

- 1. Notes The Strategic Risk – May 2016 Report*
- 2. Notes The Operational Risk – May 2016 Report*
- 3. Requests that risk actions for 2016/2017 be presented to the next Committee Meeting for consideration.*

CARRIED (4 VOTES TO 0)

Strategic Risk Report as at 31/05/2016

Shire of Leonora



Print Date: 14-Jun-2016

SR-001	Failure to protect staff or third parties from injury.	HIGH
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Primary Category: Human Safety and Well – Being
Primary Sub-Category: Being
Responsible Officer: Jim Epis
Secondary Responsible Officers:

Secondary Categories:

<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Major	Consequence	Major	Consequence	Major
Likelihood	Possible	Effectiveness of Controls	Excellent	Effectiveness of Controls	Excellent
		Likelihood	Possible	Likelihood	Possible
Risk Rating	High	Risk Rating	High	Risk Rating	High

Existing Controls

Revised

Comprehensive OHS procedures, policies, training and communication. Proactive operational inspections.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure an OSH Risk Management Plan is in place in line with the Risk Management Policy and Procedure Manual.	In Progress	30/06/2016	Jim Epis
Progress Comments: Continued liaison with LGIS on opportunities to engage services for development of plan. Review of induction manuals and content relating to OSH also underway			

SR-006	Inability to fund the maintenance replacement and renewal of infrastructure assets	HIGH
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<p>Primary Category: Capacity to Deliver Services</p> <p>Primary Sub-Category:</p> <p>Secondary Categories:</p>	<p>Responsible Officer: Tanya Browning</p> <p>Secondary Responsible Officers:</p>	
<p><u>Inherent</u></p> <p>Consequence Major</p> <p>Likelihood Possible</p> <p>Risk Rating High</p>	<p><u>Revised</u></p> <p>Consequence Major</p> <p>Effectiveness of Controls Non-existent</p> <p>Likelihood Possible</p> <p>Risk Rating High</p>	<p><u>Future</u></p> <p>Consequence Major</p> <p>Effectiveness of Controls Non-existent</p> <p>Likelihood Possible</p> <p>Risk Rating High</p>

Solutions

Solutions	Action Status	End Date	Responsible Officer
LTFP informed by asset management plans for infrastructure assets	In Progress	30/06/2016	Tanya Browning
Progress Comments: Asset Management Plans currently under review to achieve accurate and meaningful data			

SR-007	Waste management facilities and services do not adhere to licensing and legislative requirements	HIGH
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<p>Primary Category: Capacity to Deliver Services</p> <p>Primary Sub-Category:</p> <p>Secondary Categories:</p>	<p>Responsible Officer: Dan Yates</p> <p>Secondary Responsible Officers:</p>				
<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Major	Consequence	Major	Consequence	Major
Likelihood	Possible	Effectiveness of Controls	Non-existent	Effectiveness of Controls	Non-existent
		Likelihood	Possible	Likelihood	Possible
Risk Rating	High	Risk Rating	High	Risk Rating	High

Solutions

Solutions	Action Status	End Date	Responsible Officer
Waste Strategy exists in accordance with licensing and legislative requirements	In Progress	30/06/2016	Dan Yates
Progress Comments: Contract EHO/BS is actively monitoring the progress of works and development for compliance at the Leonora Refuse Site.			

SR-008	Failure or reduction in service of infrastructure assets, plant, equipment or machinery.	HIGH
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Capacity to Deliver
Primary Category: Services
Primary Sub-Category:

Responsible Officer:
Secondary Responsible Officers:

Dan Yates

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Revised

Consequence Major
Effectiveness of Controls Good
Likelihood Possible

Future

Consequence Major
Effectiveness of Controls Good
Likelihood Possible

Risk Rating High

Risk Rating High

Risk Rating High

Existing Controls

Revised

Asset management, maintenance and replacement plans in place

Solutions

Solutions	Action Status	End Date	Responsible Officer
Improve the asset management schedules and create an asset management database	In Progress	30/06/2016	Dan Yates
Progress Comments: Fleet management software currently being trialed. All base data for Shire of Leonora fleet has recently been entered, with staff undergoing training using the software for intended purposes			

SR-014	Non-compliance with Occupation Health & Safety (OH&S) Regulations and physical security requirements	HIGH
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Human Safety and Well –
Primary Category: Being
Primary Sub-Category: **Responsible Officer:** Tanya Browning
Secondary Responsible Officers:

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Risk Rating High

Revised

Consequence Major
Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major
Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Workplace inspections, hazard register and staff induction process in place

Solutions

Solutions	Action Status	End Date	Responsible Officer
Develop an HR Framework. This should include an OSH Risk Management Plan in line with the requirements of the risk management policy and procedure manual	In Progress	30/06/2016	Tanya Browning
Progress Comments: Continued liaison with LGIS on opportunities to engage services for development of plan. Review of induction manuals and content relating to OSH also underway			

SR-005	Customer processes and standards applied to all customer contact points in the Shire	MODERATE
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Primary Category:	Shire Reputation and Governance	Responsible Officer:	Tanya Browning
Primary Sub-Category:		Secondary Responsible Officers:	
Secondary Categories:			
<u>Inherent</u>		<u>Revised</u>	
Consequence	Minor	Consequence	Minor
Likelihood	Likely	Effectiveness of Controls	Non-existent
		Likelihood	Likely
Risk Rating	Moderate	Risk Rating	Moderate
<u>Future</u>			
Consequence	Minor	Effectiveness of Controls	Excellent
Likelihood	Likely	Likelihood	Likely
Risk Rating	Moderate	Risk Rating	Moderate

Solutions

Solutions	Action Status	End Date	Responsible Officer
Customer service procedures current to ensure consistency across the organisation and adherence to the Customer Service Charter	In Progress	30/06/2016	Tanya Browning
Progress Comments: Review of all position descriptions is underway, so that clear and consistent standards are established across the organisation. Procedures will evolve from this review for training purposes with the view of consistency of levels of services throughout all departments.			

SR-009	Failure to provide expected levels of service, events and benefit to the community	MODERATE
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Primary Category:	Shire Reputation and Governance	Responsible Officer:	Tanya Browning
Primary Sub-Category:		Secondary Responsible Officers:	
Secondary Categories:			
<u>Inherent</u>		<u>Revised</u>	
Consequence	Minor	Consequence	Minor
Likelihood	Likely	Effectiveness of Controls	Good
		Likelihood	Likely
Risk Rating	Moderate	Risk Rating	Moderate
<u>Future</u>		<u>Future</u>	
Consequence	Minor	Effectiveness of Controls	Good
		Likelihood	Likely
Risk Rating	Moderate	Risk Rating	Moderate

Existing Controls**Revised**

Integrated Planning Framework, community satisfaction survey and complaints register in place

Solutions

Solutions	Action Status	End Date	Responsible Officer
Community satisfaction Survey conducted and complaints register regularly maintained	In Progress	30/06/2016	Tanya Browning
Progress Comments: Mechanism for survey not yet developed. Smaller scale surveys have been developed and circulated. It is hoped that social media platform will provide increased opportunity to reach wider demographic of community.			

SR-010	Damage to buildings, property, plant & equipment (all assets) that does not result in a disruption to business objective	MODERATE
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Primary Category: Capacity to Deliver Services
Primary Sub-Category: **Responsible Officer:** Tanya Browning
Secondary Responsible Officers:

Secondary Categories:

<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Minor	Consequence	Minor	Consequence	Minor
Likelihood	Likely	Effectiveness of Controls	Fair	Effectiveness of Controls	Fair
		Likelihood	Likely	Likelihood	Likely
Risk Rating	Moderate	Risk Rating	Moderate	Risk Rating	Moderate

Existing Controls

Revised

Schedules are in place to record work required due to damage

Solutions

Solutions	Action Status	End Date	Responsible Officer
Unscheduled maintenance and cleaning registers in place to record work required due to damage	In Progress	30/06/2016	Tanya Browning
Progress Comments: Maintenance Building Supervisor appointed (part time position) to assist with planning and ensuring works are completed satisfactorily and as quickly as possible.			

SR-013	Failures in the procurement, acquisition, acceptance or disposal process for assets as governed by the Local Government Act	MODERATE
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Unlikely

Risk Rating Moderate

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Unlikely

Risk Rating Moderate

Future

Consequence Major

Effectiveness of Controls Good

Likelihood Unlikely

Risk Rating Moderate

Existing Controls

Revised

Procurement Policy and delegations exist

Solutions

Solutions	Action Status	End Date	Responsible Officer
Update the current procurement policy and guideline in accordance with the WALGA Procurement Guide 2014.	In Progress	30/06/2016	Tanya Browning
Progress Comments: Staff responsible for procurement have been instructed to revise Shire policies and delegation levels. CEO currently monitoring and considering updates to the procedures etc.			

SR-015	Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or utility causing the inability to continue business activities and provide services to the community.	MODERATE
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Primary Category:	Capacity to Deliver Services	Responsible Officer:	Tanya Browning		
Primary Sub-Category:		Secondary Responsible Officers:			
Secondary Categories:					
Inherent		Revised		Future	
Consequence	Major	Consequence	Major	Consequence	Major
Likelihood	Unlikely	Effectiveness of Controls	Good	Effectiveness of Controls	Good
		Likelihood	Unlikely	Likelihood	Unlikely
Risk Rating	Moderate	Risk Rating	Moderate	Risk Rating	Moderate

Existing Controls

Inherent

Data backup system in place along with vendor support available

Revised

Data backup system in place along with vendor support available

Solutions

Solutions	Action Status	End Date	Responsible Officer
Backup of data on all servers is taking place regularly and stored off site	In Progress	30/06/2016	Tanya Browning
Progress Comments: Upgrades have been undertaken to provide wireless link to other Shire departments (depot) to ensure that all Shire records are being captured and backed up. Further upgrades progressing			

SR-002	Change of government policy negatively affecting service provision or planned capital funding.	MODERATE
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Primary Category: Primary Sub-Category: Secondary Categories:	Capacity to Deliver Services	Responsible Officer: Secondary Responsible Officers:	Tanya Browning
Inherent			
Consequence	Minor	Revised	
Likelihood	Possible	Consequence	Minor
		Effectiveness of Controls	Excellent
		Likelihood	Possible
Risk Rating	Moderate	Risk Rating	Moderate
Future			
Consequence	Minor	Effectiveness of Controls	Non-existent
		Likelihood	Possible
Risk Rating	Moderate	Risk Rating	Moderate

Existing Controls**Revised**

Long Term Financial Plan based on current levels of service and funding

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure Corporate Plan and LTFP when reviewed consider the impact of government grants and contributions on service delivery and infrastructure renewal	In Progress	30/06/2016	Tanya Browning
Progress Comments: LTFP review undertaken with Moore Stephens, CBP & SCP reviews due to occur in 2016/17 period, where these issues will be further considered and mitigation strategies formulated.			

SR-003	Compromise of Council's public image and reputational integrity	MODERATE
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Primary Category: Shire Reputation and Governance
Primary Sub-Category: **Responsible Officer:** Jim Epis
Secondary Responsible Officers:

Secondary Categories:

<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Minor	Consequence	Minor	Consequence	Minor
Likelihood	Possible	Effectiveness of Controls	Non-existent	Effectiveness of Controls	Non-existent
		Likelihood	Possible	Likelihood	Possible
Risk Rating	Moderate	Risk Rating	Moderate	Risk Rating	Moderate

Existing Controls

Revised

Proactive engagement with all stakeholders, particularly the community. CEO communication with Councilors and networks

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure protocols are in place with dealing with the community, stakeholders and the media.	Ongoing	30/06/2016	Jim Epis
Progress Comments: Framework in place, and personnel engaged to implement social media platform to better engage with stakeholders and the community. Platform will also be used to better communicate positive stories and community activities to promote cohesiveness within the community			

SR-012	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework	MODERATE
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Revised

Consequence Critical
Effectiveness of Controls Good
Likelihood Unlikely

Future

Consequence Major
Effectiveness of Controls Fair
Likelihood Possible

Risk Rating High

Risk Rating Moderate

Risk Rating High

Existing Controls

Revised

Annual compliance returns, financial returns and external audit undertaken annually

Solutions

Solutions	Action Status	End Date	Responsible Officer
Develop a standardised compliance framework and checklist	In Progress	30/06/2016	Tanya Browning
Progress Comments: Compliance checklists are continuing to be developed, and implemented into EOM reporting amongst Shire staff, as well as using a tool to reduce risk with interpretation of risks etc.			

SR-011	Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation	MODERATE
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Critical

Likelihood Unlikely

Risk Rating Moderate

Revised

Consequence Critical

Effectiveness of Controls Good

Likelihood Unlikely

Risk Rating Moderate

Future

Consequence Critical

Effectiveness of Controls Fair

Likelihood Unlikely

Risk Rating Moderate

Existing Controls

Revised

Records management policy and procedure in place

Solutions

Solutions	Action Status	End Date	Responsible Officer
Review records polciy and procedure and conduct an internal audit on policies, procedures and registers	In Progress	30/06/2016	Tanya Browning
Progress Comments: Administration staff member has been allocated set times to progress correct recording, storage and disposal of records in consultation with Goldfields Records Storage. Once backlog addressed, works to commence on improving systems (including electronic record keeping opportunities)			

Operational Risk Report as at 31st May 2016

Shire of Leonora



Print Date: 14-Jun-2016

OR-044	Chemicals used in operating environments	HIGH
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Human Safety and Well –
Primary Category: Being
Primary Sub-Category:
Secondary Categories:

Responsible Officer: Dan Yates
Secondary Responsible Officers:

<u>Inherent</u>	<u>Revised</u>	<u>Future</u>
Consequence Major	Consequence Major	Consequence Major
Likelihood Likely	Effectiveness of Controls Good	Effectiveness of Controls Non-existent
	Likelihood Likely	Likelihood Likely
Risk Rating High	Risk Rating High	Risk Rating High

Existing Controls

Revised

Draft safe operating procedure in place

Solutions

Solutions	Action Status	End Date	Responsible Officer
Safe operating procedure for use of chemicals exists as well as a chemicals register	In Progress	30/06/2016	Dan Yates
Progress Comments: Procedures currently being reviewed by independent contractor for appropriateness and application within the Shire's facilities			

OR-046	Plant and equipment under utilised	HIGH
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Primary Category:	Capacity to Deliver Services	Responsible Officer:	Dan Yates
Primary Sub-Category:		Secondary Responsible Officers:	
Secondary Categories:			
<u>Inherent</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Effectiveness of Controls	Excellent
		Likelihood	Likely
Risk Rating	High	Risk Rating	High
<u>Future</u>			
Consequence	Major	Effectiveness of Controls	Non-existent
		Likelihood	Likely
Risk Rating	High	Risk Rating	High

Existing Controls**Revised**

Fuel usage and utilisation of plant and equipment recorded

Solutions

Solutions	Action Status	End Date	Responsible Officer
Report regularly on fuel usage and utilization of plant and equipment	In Progress	30/06/2016	Dan Yates
Progress Comments: Fleet management software currently being trialed. All base data for Shire of Leonora fleet has recently been entered, with staff undergoing training using the software for intended purposes			

OR-002	CEO responsible to put in place a framework of internal controls over budget formulation and management.	HIGH
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Primary Category: Financial and Legal
Primary Sub-Category:

Responsible Officer:
Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Revised

Consequence Major
Effectiveness of Controls Good
Likelihood Possible

Future

Consequence Major
Effectiveness of Controls Non-existent
Likelihood Possible
Risk Rating High

Risk Rating High

Risk Rating High

Existing Controls

Revised

Budget currently prepared internally in line with Long Term Financial Plan and checked by external auditors

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure Audit Committee signs off on process and framework for the formulation and management of the annual budget	In Progress	30/06/2017	Tanya Browning
Progress Comments: Framework not yet developed and still underway.			

OR-003	Unrealistic Budgets Adopted	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Possible

Risk Rating High

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Current Budget prepared within the Leonora Integrated Planning Framework

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure annual budgets prepared in accordance with the Leonora Integrated Planning Framework	In Progress	30/06/2016	Tanya Browning
Progress Comments: Integrated Planning documents form basis of budgets, ensuring that priority is placed as it has been assessed			

OR-009	Council's statutory reports provide inaccurate financial information	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Possible

Risk Rating High

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major

Effectiveness of Controls Non-existent

Likelihood Possible

Risk Rating High

Existing Controls

Revised

General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Actual results compared to budget regularly and provided in management reports. Management reviews and investigates significant variances.	Ongoing	30/06/2016	Tanya Browning
Progress Comments: Moore Stephens provide remote accounting service with review of entries etc. Independent management reports are forwarded to the CEO monthly to advise of issues or actions required			

OR-019	Debtors are either not collected on a timely basis or not collected at all.	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Possible

Risk Rating High

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major

Effectiveness of Controls Non-existent

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Management reviews debtors ageing profile on a regular basis and investigates any outstanding items.	Ongoing	30/06/2016	Tanya Browning
Progress Comments: CEO inspects aged debtor listings personally and instructs on required actions and levels of recovery to be applied (i.e. demand letter, legal action etc.). Staff and contractors report directly to CEO with progress and results			

OR-021	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Risk Rating High

Revised

Consequence Major
Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major
Effectiveness of Controls Non-existent

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Reconciliation of fixed assets to the General Ledger is performed regularly.

Solutions

Solutions	Action Status	End Date	Responsible Officer
All fixed asset acquisitions and disposals are approved in accordance with delegation of authority and relevant procurement and fixed asset policies.	Ongoing	30/06/2016	Tanya Browning
Progress Comments: External valuers have inspected and reviewed registers for all assets. These reports are forwarded to Moore Stephens for financial reporting purposes which are also reconciled against asset and financial registers independently.			

OR-022	Fixed Asset maintenance and/or renewals are inadequately planned	HIGH
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<p>Primary Category: Capacity to Deliver Primary Sub-Category: Services</p> <p>Secondary Categories:</p>	<p>Responsible Officer: Dan Yates Secondary Responsible Officers:</p>															
<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"><u>Inherent</u></td> <td style="width: 33%;"><u>Revised</u></td> <td style="width: 33%;"><u>Future</u></td> </tr> <tr> <td>Consequence Major</td> <td>Consequence Major</td> <td>Consequence Major</td> </tr> <tr> <td>Likelihood Possible</td> <td>Effectiveness of Controls Good</td> <td>Effectiveness of Controls Non-existent</td> </tr> <tr> <td></td> <td>Likelihood Possible</td> <td>Likelihood Possible</td> </tr> <tr> <td>Risk Rating High</td> <td>Risk Rating High</td> <td>Risk Rating High</td> </tr> </table>		<u>Inherent</u>	<u>Revised</u>	<u>Future</u>	Consequence Major	Consequence Major	Consequence Major	Likelihood Possible	Effectiveness of Controls Good	Effectiveness of Controls Non-existent		Likelihood Possible	Likelihood Possible	Risk Rating High	Risk Rating High	Risk Rating High
<u>Inherent</u>	<u>Revised</u>	<u>Future</u>														
Consequence Major	Consequence Major	Consequence Major														
Likelihood Possible	Effectiveness of Controls Good	Effectiveness of Controls Non-existent														
	Likelihood Possible	Likelihood Possible														
Risk Rating High	Risk Rating High	Risk Rating High														

Existing Controls

Revised

Asset Management Plans Direct Council’s programmed maintenance and asset renewal schedules

Solutions

Solutions	Action Status	End Date	Responsible Officer
Asset Management Plans exist for all major asset classes and all changes to the asset management plan must be approved by Council	In Progress	30/06/2016	Dan Yates
<p>Progress Comments: Asset Management Plans currently under review to achieve accurate and meaningful data. Maintenance Building Supervisor appointed (part time position) to assist with planning and ensuring works are completed satisfactorily, and are appropriately budgeted for.</p>			

OR-028	Council does not raise the correct level of rate income	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Possible

Risk Rating High

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major

Effectiveness of Controls Non-existent

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Actual rate revenue and rate rebates are compared to budget regularly; management reviews and investigates significant variances.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Management regularly reviews the calculation methodology within the rate application system and for a sample of ratepayers to ensure correct calculation and methodology has been used.	Completed	30/06/2016	Tanya Browning
Progress Comments: Reports are also exported to excel for double checking and data integrity sampling. Reconciliations of data is performed and checked by a senior officer daily.			

OR-029	Council loses recurrent Grant funding to provide existing service	HIGH
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Capacity to Deliver
Primary Category: Services
Primary Sub-Category:

Responsible Officer: Jim Epis
Secondary Responsible Officers:

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Risk Rating High

Revised

Consequence Major
Effectiveness of Controls Good
Likelihood Possible

Risk Rating High

Future

Consequence Major
Effectiveness of Controls Non-existent
Likelihood Possible

Risk Rating High

Existing Controls

Revised

Council has a grant revenue register which records details such as reporting deadlines, amount and instalments expected and key milestones.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Council has a clear process to review services where grant funding has ceased to ensure it understands the financial impact on its sustainability.	Ongoing	30/06/2016	Jim Epis
Progress Comments: Regular reviews and meetings are held with appropriate government departments to ensure that grant commitments are maintained and not suddenly withdrawn.			

OR-031	Receipts are not deposited at the bank on a timely basis or not recorded	HIGH
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Primary Category: Financial and Legal

Primary Sub-Category:

Responsible Officer:

Secondary Responsible Officers:

Tanya Browning

Secondary Categories:

Inherent

Consequence Major

Likelihood Possible

Risk Rating High

Revised

Consequence Major

Effectiveness of Controls Good

Likelihood Possible

Risk Rating High

Future

Consequence Major

Effectiveness of Controls Non-existent

Likelihood Possible

Risk Rating High

Existing Controls

Revised

Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts

Solutions

Solutions	Action Status	End Date	Responsible Officer
Bank statements are reconciled to the general ledger and banking reports where relevant, monthly and are reviewed by an authorised person.	Ongoing	30/06/2016	Tanya Browning
Progress Comments: Moore Stephens provide remote accounting service with review of entries etc. Independent management reports are forwarded to the CEO monthly to advise of issues or actions required.			

OR-047	Abide by on-road regulations and - chain of responsibility	HIGH
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Primary Category: Shire Reputation and Governance
Primary Sub-Category:

Responsible Officer:
Secondary Responsible Officers:

Dan Yates

Secondary Categories:

Inherent

Consequence Major
Likelihood Possible

Risk Rating High

Revised

Consequence Major
Effectiveness of Controls Good
Likelihood Possible

Risk Rating High

Future

Consequence Major
Effectiveness of Controls Non-existent
Likelihood Possible

Risk Rating High

Existing Controls

Revised

Draft process being developed for maintenance and on-road chains of responsibility

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure it is well documented where the Shire fits in the Chain of Responsibility	In Progress	30/06/2016	Dan Yates
Progress Comments: Procedures currently being reviewed by independent contractor for appropriateness and application within the Shire of Leonora workforce			

OR-048	Maintenance records for plant and machinery kept in accordance with manufacturers specifications and OHS legislation	HIGH
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Primary Category: Shire Reputation and Governance
Primary Sub-Category: **Responsible Officer:** Dan Yates
Secondary Responsible Officers:

Secondary Categories:

<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Critical	Consequence	Major	Consequence	Major
Likelihood	Possible	Effectiveness of Controls	Good	Effectiveness of Controls	Good
		Likelihood	Possible	Likelihood	Possible
Risk Rating	Moderate	Risk Rating	High	Risk Rating	High

Existing Controls

Revised

Maintenance job cards completed and closed whenever an item of plant and equipment is serviced.

Solutions

Solutions	Action Status	End Date	Responsible Officer
Ensure maintenance records for all plant and machinery detailing scheduled and unscheduled maintenance, are kept and easily accessible	In Progress	30/06/2016	Dan Yates
Progress Comments: Fleet management software currently being trialed. All base data for Shire of Leonora fleet has recently been entered, with staff undergoing training using the software for intended purposes			

5.0 NEXT MEETING

20th September 2016, following the conclusion of the Ordinary meeting of Council commencing at 9:30am.

6.0 CLOSURE OF MEETING

There being no further business, Chairperson Cr PJ Craig declared the meeting closed at 11:44am.