



AUDIT AND RISK COMMITTEE MEETING

AGENDA

10 DECEMBER 2020

**14 White Street
Brookton, WA 6306**

2.00 pm COMMENCEMENT OF MEETING



NOTICE OF MEETING

AUDIT AND RISK COMMITTEE MEETING

10 December 2020

**14 White Street
Brookton, WA 6306**

Dear Councillor, Resident or Ratepayer,

Notice is hereby given that the Audit and Risk Committee Meeting of the Brookton Shire Council will be held on 10th December 2020 in the Council Chambers at the Shire Administration Centre commencing at 2.00pm.

The business to be transacted is shown in the Agenda.

Ian D'Arcy
CHIEF EXECUTIVE OFFICER
04/12/2020



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1.12.20 DECLARATION OF OPENING / ATTENDANCE

2.12.20 CONFIRMATION OF PREVIOUS MINUTES

That the minutes of the Audit and Risk Committee meeting held in the Shire of Brookton Council Chambers, on 28th July 2020, be confirmed as a true and correct record of the proceedings.

3.12.20 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.12.20 PUBLIC QUESTION TIME

5.12.20 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

6.12.20 DECLARATIONS BY MEMBERS AND OFFICERS

Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.

Disclosure of Financial & Proximity Interests

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

Financial, Proximity and Impartiality Interests

Item no.	Members/Officers	Type of Interest	Nature of Interest

7.12.20 PRESENTATIONS

The Shire of Brookton's Auditors from the Office of the Auditor General will be in attendance to discuss the audit items at the Audit and Risk Committee meeting.

8.12.20 ANNUAL REPORT FOR 2019-20

File No:	ADM 0117
Date of Meeting:	10 December 2020
Location/Address:	Not Applicable
Name of Applicant:	Shire of Brookton
Name of Owner:	Shire of Brookton
Author/s:	Ian D'Arcy – Chief Executive Officer
Authorising Officer:	As above
Declaration of Interest:	The author has an interest as the CEO being responsible for the performance of the Shire operation during 2019-20 financial year
Voting Requirements:	-
Previous Report:	Nil

At the time of finalising this agenda the 2019-20 Annual Report that incorporates the Annual Financial Report and the Auditors Management Letter is yet to be completed, and therefore will be presented directly to Council at its Ordinary Meeting on the 17th December 2020.

The delay mainly relates the sale of Lot 511 and the Kalkarni Age Care Annual Financials for 2019-20 that need to be presented in the correct accounting format as required by the Australian Accounting Standards under the direction and guidance of the Auditors.

Notwithstanding, Jordan Langford Smith – Senior Director, and Xuan Shan Ong – Audit Manager from the Office of the Auditor General will be in attendance to report in person to the Audit and Risk Committee on the 2019-20 auditing and associated findings.

9.12.20 STATUS TABLE

The following table provides an understanding of governance matters identified through annual audits or required by legislation and an update on the progress of addressing relative compliance.

Black – No changes from previous reports

Yellow – Updated from previous report

Blue – Additions from latest Audit & Risk Committee meetings

Item #	Meeting Date	Item Title	OAG Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
1	20-Jun-19	Review of Risk Register	OAG 2018 Audit - Review of the Risk Register and Risk Management Plan – report to Audit & Risk Committee December 2019 2019 Audit – Noted Review of risk register still in progress	Moderate	Risk Management Plan completed and endorsed. Risk Register is presently being reviewed by staff and updated – delay caused by 2 Managers leaving Shire employment simultaneously. <i>Progress of Review ongoing with input by most staff.</i>	PCO	Feb-21	90%
2	20-Jun-19	Asset Management Plan Review	OAG 2018 Audit – ratios affected due to exist plan spanning 9 years only holistic review of the Emergency Management framework that includes response, recovery, animal management and regional alliances. Noted the review of the Asset Management Plan	Moderate	Asset assessment of roads and associated infrastructure completed – Sewerage System CCTV capture completed – Engineering assessment Memorial Hall and Railway Station completed pending costing of options and public consultation – delay caused by 2 Managers leaving Shire employment simultaneously. <i>Asset Management Policy adopted October 2020 and Asset Management Strategy endorsed by Council November 2020</i>	MIE/MCC	Jun-21	65%
3	20-Jun-19	User Access Management	OAG 2018 Audit - No logging in process for reviews of system changes. 2019 Audit – Shire has removed access to Creditor and Debtor module from shared account. Audit trails are to be completed and reviewed on a monthly basis.	Moderate	IT access structured with required authorisation aligned to positions - checked monthly by Senior Finance Officer. Procedure yet to be prepared for request and review of authorisation to various Synergy modules.	MCC/SFO/PCO	Aug-20	95%
4	20-Jun-19	IT Security Policy	OAG 2018 Audit – no policies or procedures governing the use of IT assets and resources. 2019 Audit – this issue remains unresolved. Lack of an IT security policy – in development with IT provider to interface.	Moderate	<i>Policy for IT security policy presented in December 2020 Agenda for review by Audit and Risk Committee</i>	PCO/CEO	Dec-20	95%
5	20-Jun-19	Management of Issued infringements	OAG 2018 Audit – No process and no register of infringements issued by the Shire. No process to follow up on infringements in place. OAG 2019 Audit – issue not yet resolved	Moderate	Register developed – admin procedures to be updated for front desk. Delay due to change over of MCC position.	MCC/PCO	Jan-21	75%
6	20-Jun-19	Depreciation Policy	AOG 2019 Audit – Useful Life of assets in policy appear to be excessive and may not reflect the life in the asset register	Moderate	Review will be picked up as part of AM and LTFP plans and shall be reviewed as part of policy review annually. Delay caused by 2 Managers leaving Shire employment simultaneously.	MCC/MIE	Jun-21	50%
7	30-Apr-20	Records Management Plan	Review and update of the Records Management Plan to be completed in accordance with the <i>State Records Act, 2000</i> .	Moderate	The review commenced – new Key for Works framework completed – new Synergy Records Model uploaded – Records Training for admin staff – performed – upload of records information <i>completed. Management Plan to be updated</i>	MCC/ARO	Jan-21	75%
8	9-Jul-20			Moderate		MIE/MCC	Feb-21	60%

		Emergency Management Arrangements	Holistic review of the Emergency Management framework that includes response, recovery, animal management and regional alliances.		The respective LEMP prepared and reviewed under an AWARE grant funding – endorsed by LEMC and to be forwarded to Council at August OMC 2020. Then to be referred to State Emergency Management Committee awaiting approval. Animal Welfare Plan yet to be drafted in collaboration with neighbouring LGs .			
9	9-Jul-20	Review of Organisational Structure	Re-alignment of Employee Roles and Responsibilities and seating arrangements to improve administrative efficiencies and performance	Low	Organisation Structure reviewed November 2019 – Office refurbishment to accommodate improved seating arrangements and working relationships – Discussions on the structure has been entertained with Council and will be formalised at the time of adopting the draft 2020-21 Budget	CEO	COMPLETED	100%
10	9-Jul-20	Review of Long Term Financial plan	Forms part of the Integrated Planning and Reporting Framework that informs the annual budget - subject to review every two years.	Moderate	Moore Stephens Financial Consultant engaged to preform review of the LTFP – awaiting information from the Asset Management Plan.	MCC	Apr-21	20%
11	9-Jul-20	Review of Workforce Plan	Forms part of the Integrated Planning and Reporting Framework that informs the annual budget - subject to review every two years.	Moderate	Draft Workforce Plan template compiled – progress to be performed in the coming months following full re-alignment of officer duties and finalisation of the Organisational Structure.	CEO/ODO	Feb-21	20%
12	9-Jul-20	Internal Auditing Process	Procedure and annual program on the conduct and reporting of internal audits to the Audit and Risk Committee	Moderate	Procedure prepared in draft for review by the Audit and Risk Committee - Refer to Agenda Item	PCO	Dec-20	90%
13	9-Jul-20	Review Strategic Community Plan and Corporate Business Plan	Desktop review Strategic Community Plan and Corporate Business Plan, including the Innovations Pathway and associated Advisory Groups.	Moderate	Review performed October 2020, and completed November 2020.	CEO/PGO	COMPLETED	100%
14	9-Jul-20	Preparation of Annual Budget	Prepare the 2020-21 municipal budget in accordance with endorsed procedure for adoption by Council.	High	The draft Budget 2020-21 is current being prepared with input from Staff and Elected Members. Slippage in the process has occurred with the on-set of COVID-19 and Commonwealth grants money being offered late in the budget preparation process. It is project the budget will be finalised for adoption by Council in late July or early August 2020.	MCC/SFO	COMPLETED	100%
15	9-Jul-20	Review of Local Laws	A review of the Shire of Brookton’s Local Laws to be conducted	Moderate	Review process endorsed by Council. Draft Meeting procedures and Extractive Industry Local Laws are presented for consideration - Refer to Agenda item.	PCO	Dec-20	15%

10.12.20 AMENDMENT TO POLICY 2.35 – INFORMATION SECURITY

File No:	ADM 0564
Date of Meeting:	10 December 2020
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	N/A
Author/s:	Ian D’Arcy – Chief Executive Officer
Authorising Officer:	As above
Declaration of Interest:	The author has a specific interest in this item.
Voting Requirements:	Simple majority
Previous Report:	N/A

Summary of Item:

This item involves a rewrite of ‘Policy 2.35 – Information Security’, including a title change to ‘Information Communications Technology – Security and Use’, with the aim to bolster the Council’s position on the management of its ICT equipment, and respective use of Shire information.

A copy of the amended Policy is presented as **Attachment 10.12.20A** to this report with suggested changes in red text.

Description of Proposal:

As above.

Background:

Given recent recommendations by the Office of the Auditor General (AOG) with a strong emphasis on the secure operation of the Shire Information Communications Technology (ICT) systems, and the need for appropriate conduct in using equipment and sharing information aligned back to recent investigation of other Local Governments, this policy has been amended in draft form to strengthen the security.

The intent is to ensure all users of the Shire ICT system are integrally committed to the principles as outlined in the amended Policy.

Consultation:

There has been minimal consultation with the Shire President in relation to the preparation of this policy.

Statutory Environment:

This Policy relates to the following legislation:

- *Local Government Act, 1995*
- *Privacy Act, 1988*
- *State Records Act, 2000 (WA)*

Further Council may determine, review and amend the Local Government’s Policies pursuant to Section 2.7(2)(b) of the *Local Government Act, 1995*.

Relevant Plans and Policy:

There are no other existing policies that apply to this matter.

Financial Implications:

There is no specific financial implication in amending the attached Policy.

Risk Assessment:

On assessment the risk is assessed as 'High' given this policy relates to security and use of Shire equipment and information, some of which may be sensitive and confidential in nature.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

The draft Policy aligns to the delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, this amended policy accords with:

- Function 17 Records Management
 - 17.3 Capture / maintain / secure corporate records / archiving
- Function 19 Risk Management
 - 19.3 Implement risk mitigation measures
- Function 21 IT Management
 - 21.1 Review computer hardware and software operating system 3

Comment:

The policy changes are considered appropriate given recent events already mentioned. Also, they will be a clear demonstration of the Council's commitment to a more secure ICT environment particularly with members of the organisation having to complete and sign the attached 'ICT Use Agreement Declaration' form – refer to Appendix A.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council in accordance with to Section 2.7(2)(b) of the Local Government Act, 1995 amend Policy 2.35 as presented in Attachment 9.12.20A to this report including the titled being changed to 'Information Communications Technology – Security and Use' .

Attachment

10.12.20A – Policy 2.35 – Information Communications Technology – Security and Use

2.35 Information Communications Technology - Security and Use

Directorate:	Governance			
Statutory Environment:	<i>Local Government Act, 1995</i> <i>Privacy Act, 1988</i> <i>State Records Act, 2000 (WA)</i> <i>ISO/IEC 2700 – Information Security Management Systems – requirements</i> <i>ISO/IEC 20071 – Code of Practice for Information Security management</i> <i>NIST Cybersecurity Framework</i> <i>AS/ISO – 15483 – Records & Information</i> <i>ISO – 15489</i>			
Council Adoption:	Date:	Aug 2018	Resolution #:	
Last Amended:	Date:	Nov 2020	Resolution #:	
Review Date:	June 2021			

Objective:

The key objectives of this policy are to:

- ~~• Minimise information security incidents &~~
- ~~• To ensure compliance with legislation and contractual obligations.~~

1. Provide understanding and guidance on the acceptable use of the Shire of Brookton's Information and Communication Technology (ICT) assets and resources.
2. Demonstrate the Shire's commitment to upholding the relevant legislative and administrative requirements, whilst:
 - mitigating data loss and damage to the Shire's assets and reputation.
 - promoting organisational productivity.

Scope:

This policy encompasses all information, ICT Services and ICT assets that are owned, managed or operated by the Council, and ~~applies to all Council employees and Councillors for the duration of their employment or term of office with Council.~~ recognises the importance of maintaining effective controls over information security, operational guidelines and records management procedures, and applies to anyone accessing or using the Shire of Brookton's ICT facilities, including all employees, contractors, volunteers and Elected Members.

~~The CEO is ultimately accountable for information security in the Shire of Brookton and will:~~

- ~~• Ensure that a policy is in place and a "security aware" culture is established.~~
- ~~• Approve changes to administrative processes and procedures that do not change the intent or the impact of the policy as they apply from time to time.~~

Statement:

This policy and any procedures developed and adopted are mandatory and will support the Shire's Risk Management Policy and Records and Information Management Policy.

The Shire of Brookton (the Council) will ensure the confidentiality, integrity and availability of Council's information, ICT Services and ICT assets.

Policy:

- a) All information, including electronic records, files and communications that forms part the Shire's computer network is considered a corporate asset and shall be treated as such.
- b) The following basic principles on information security must be upheld in using of Shire's ICT facilities:
- *Confidentiality* – Ensuring information is accessible only to suitably authorised persons.
 - *Integrity* – Maintain confidence accuracy and comprehensiveness of information and processing methods.
 - *Availability* – Making certain authorised users have access to information when required.
 - *Compliance* – Confirming that the Shire meets all legislative obligations.
 - *Responsibility* – Ensuring users of the Shire's ICT resources do not adversely affect other users or systems.
- c) Each user is responsible and accountable for their use of the Shire's ICT facilities and have an ethical and legal obligation not to use Shire property improperly. Specifically, access, transmission, retrieval, storage and/or display of material relating of personal expression that is defamatory, discriminatory, harassing and/or illegal in nature and/or is for political gain is strictly forbidden. A violation of misuse, depending on severity, nature and status of the user, may result in a reprimand, loss of ICT access, report to a higher authority for investigation and possible disciplinary action, or termination of employment.
- d) All users have a responsibility to avoid, prevent and report any unauthorised access, disclosure, duplication, modification, diversion, destruction, loss, misuse or theft of Shire information. Misuse may consist of, but is not limited to:
- Use of ICT equipment and material inconsistent with the Shire's values, mission, business functions or objectives.
 - Allowing another person unauthorised use or access to any resource outside the scope of user's authority and role or is contrary to the applicable guidelines and legislation.
 - Use of the Shire ICT system and content for illegal, offensive or other inappropriate activities.
 - Use, or knowingly allowing another party, to use any Shire system and/or equipment to defraud or obtain money, property, services or other items of value, or for political gain by false representation.
 - Publishing information which violates or infringes upon the rights of any other person or group.
 - Use which could expose the Shire to unfavourable publicity or negatively impact the Shire's reputation.
- e) At a minimum the CEO this policy will: ~~direct that: The CEO~~ establish, endorse and maintain standards, specifications and controls for the secure design, implementation, management and disposal of ICT services, assets (including information assets) and equipment.
- ~~f) The CEO maintain a register of all standards relating to ICT policies.~~
- ~~g) All Councillors and employees have an obligation to report Information Security breaches to the CEO.~~
- f) All ~~Councillors and employees~~ users have an obligation to understand the value and sensitivity of information they handle and to manage it accordingly.
- g) All ~~Councillors and employees~~ users have an obligation to not release information that they know, or should reasonably know, is information that is confidential to the Council.

- h) The **Chief Executive Officer (CEO)** and Manager Corporate and Community Services (MCC) are the only employees who have the authority to:
- determine a document is confidential.
 - accept a document under conditions of confidentiality.
 - determine a document is no longer confidential.
 - to make accessible or to disclose information that is either confidential or not confidential.

Note: In relation to the above, consultation may be entertained with the Shire President prior to any action being taken in relation to this statement.

- i) All users must keep secure and routinely change their personal access PASSWORD in accordance with the directives of the Shire's ICT support provider.
- j) All users must take reasonable care when downloading, accessing or executing files on or from internet services to prevent the introduction of viruses or harmful software.
- k) All software products used for Shire business must be authorised and licensed before being installed on any Shire equipment.
- l) Users must not open any suspicious attachments or links, and thereafter report any suspect activity (ie emails) to the Shire's ICT support provider for review.
- m) All hardware devices provided by the Shire shall:
- Remain property of the Shire unless ownership is granted under another agreement.
 - Be used in compliance with this policy, applicable licenses, notices, contracts and agreements.
 - Be kept in a neat and tidy condition.
- n) All users must read, understand, and sign the Shire's ICT Use Agreement Declaration, provided as **Appendix A** to this policy.

Appendix A – ICT Use Agreement Declaration

As a user of the Shire’s ICT facilities, including electronic records, files and communications that forms part the Shire’s computer network and I respectfully:

- a) Acknowledge and agree to the statements detailed in this policy.
- b) Undertake to ensure that my PASSWORD is kept confidential.
- c) Acknowledge that unauthorised use of my personal USER ID may result in the integrity of the system being compromised.
- d) Accept that I am responsible for ensuring the Shire equipment and my personal USER ID provided to me is not shared with any other person and is only used for proper and authorised activities relating to Local Government business.
- e) Accept I am accountable for any actions undertaken using my USER ID and PASSWORD.
- f) Understand Shire monitors and records email and internet activity undertaken by those users who have access to resources provided by the Shire of Brookton.

I have read, understood, and will always adhere to the conditions this policy.

Name: _____

Signature: _____ Date: _____

This declaration form once signed must be submitted to the Shire appointed ICT Officer.

11.12.20 DRAFT POLICY 2.42 – INTEGRATED PLANNING AND REPORTING (IPR) REVIEW AND ANNUAL BUDGET PREPARATION

File No:	ADM 0564
Date of Meeting:	10 December 2020
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	N/A
Author/s:	Ian D’Arcy – Chief Executive Officer
Authorising Officer:	As above
Declaration of Interest:	The author has a specific interest in this item.
Voting Requirements:	Simple majority
Previous Report:	N/A

Summary of Item:

This item presents to the Audit and Risk Committee a draft ‘Policy 2.42 – IPR Review and Annual Budget Preparation’.

The intent of this policy is to heighten understanding, provide clarity and education, designate key times for review, and overall offer guidance on the Shire’s Integrated Planning and Reporting process and preparation of the Annual Budget each year.

A copy of the draft Policy is presented as **Attachment 11.12.20A** to this report.

Description of Proposal:

As above.

Background:

Following a public meeting on the Shire Reserve 43158 Management Plan, and a subsequent review of the Shire Corporate Business Plan (CBP), this Policy has been prepared to increase awareness and understanding of:

- The statutory Integrated Planning and Reporting framework, and the role it plays in informing preparation of the annual municipal budget for each year.
- The process and indicative timeframe in the preparing the annual budget.

Consultation:

There has been minimal consultation with the Shire President in relation to the preparation of this policy.

Statutory Environment:

All local governments are required to adopt an annual budget in accordance with Part 6, Division 2, of the *Local Government Act, 1995* (The Act), Part 3 of the Local Government (Financial Management) Regulations 1996, Australian Accounting Standards (AASB) and the Australian Accounting Standards Board Interpretations (AASBI). In relation to budgeting, section 6.2 (1) of the Act states:

During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (absolute majority required), in the form and manner prescribed, a budget for its municipal fund for the financial years ending on the 30 June next following that 31 August.

The legislative requirement for the Shire’s IPR framework is contained in Section 5.56(1) of the *Local Government Act, 1995* and the Pursuant to Section 5.56(1) and (2) of the *Local Government Act, 1995* where

each Local Government is required to 'plan for the future' for its local district in accordance with the relevant regulations of the Local Government (Administration) Regulations, 1996.

The Regulations state that the 'plan for the future' is to take the form of an Integrated Planning and Reporting (IPR) framework with specific reference to preparation of a Strategic Community Plan (SCP) and Corporate Business Plan (CBP), and the following accompanying/supporting plans:

- Shire of Brookton Long Term Financial Plan (LTFP)
- Shire of Brookton Asset Management Plan (AMP)
- Shire of Brookton Workforce Plan (WP)

Specifically, Regulation 19C states the SCP is to be reviewed at least every 4 years but may be modified within this period subject to formal consultation with the local community.

Regulation 19DA promotes in relation to the CBP:

19DA. Corporate business plans, requirements for (Act s. 5.56)

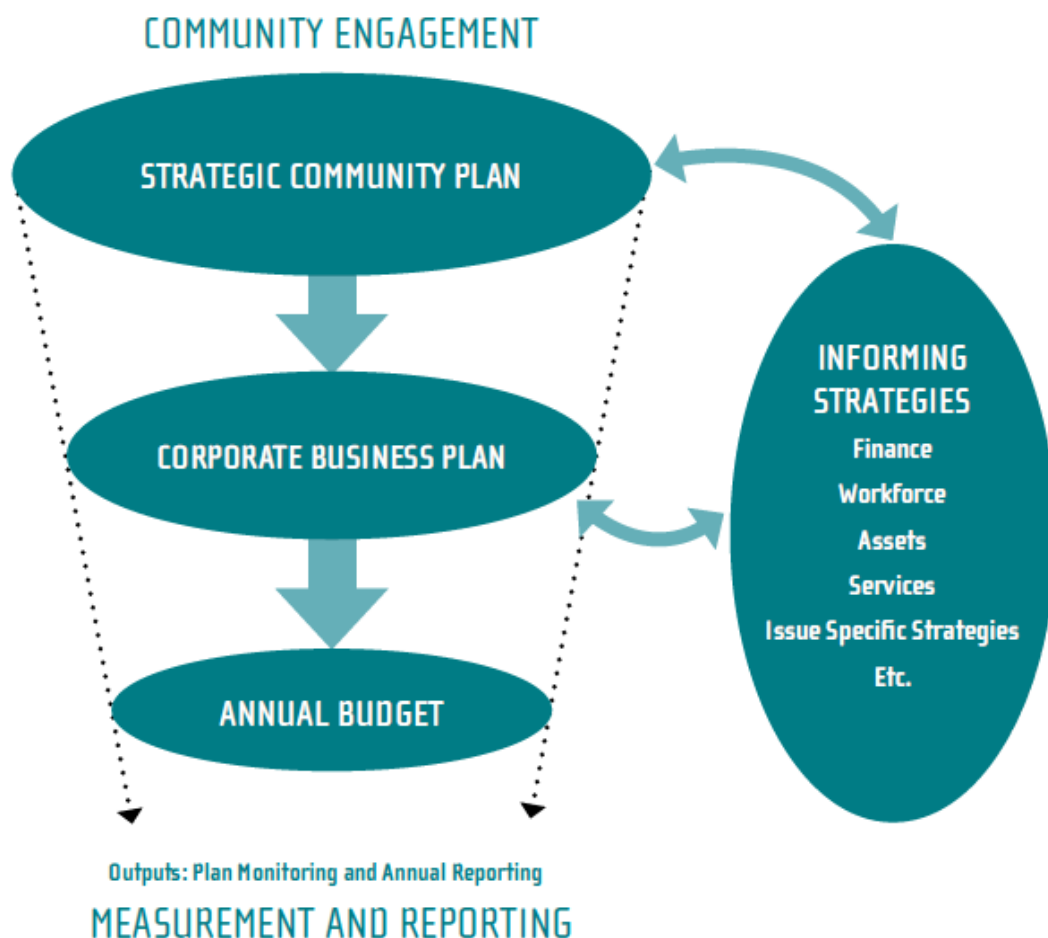
- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*
 - (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) *A local government is to review the current corporate business plan for its district every year.*
- (5) *A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.*
- (6) *A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute majority required.*

- (7) *If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

The following diagram provides an understanding of the statutory framework.

Elements of the Integrated Planning Framework



Additionally, consideration needs to be given the CBP Compendium which details the operational functions and governance requirements and the Innovations Pathway.

Finally, Council's role in determining, reviewing and amending Local Government's Policies is defined in Section 2.7(2)(b) of the *Local Government Act, 1995*.

Relevant Plans and Policy:

There are no other existing policies that apply to this matter.

Financial Implications:

There is no specific financial implication in relation to adoption of this draft Policy.

Risk Assessment:

On assessment the risk is assessed as 'Medium' premised on this policy being integral to improved understanding of the statutory IPR and Budget preparation processes.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

The draft Policy aligns to the delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, this draft policy accords with:

Function 3. Integrated Planning and Reporting

- 3.1 Review / adoption Strategic Community Plan
- 3.2 Review / adoption Corporate Business Plan

Comment:

Importantly the Council is obliged to have, and adhere to, a 'Attendance at Events' policy to instill and maintain confidence with the local Community regarding the conduct of Elected Members and CEO.

OFFICER RECOMMENDATION

The Audit and Risk Committee recommends that Council in recognition of Section 5.56(1) and (2) and Section 6.2, and in accordance with to Section 2.7(2)(b) of the Local Government Act, 1995 adopt 'Policy 2.42 – IPR Review and Annual Budget Preparation' as presented in Attachment 10.12.20A to this report.

(Simple majority vote)

Attachment

11.12.20A – Policy 2.42 – IPR Review and Annual Budget Preparation

2.42 IPR REVIEW AND ANNUAL BUDGET PREPARATION

Directorate:	Governance			
Statutory Environment:	<i>Local Government Act, 1995 – Section 5.56 and Section 6.2 Local Government (Administration) Amendment Regulations (No. 2) 2011 – Regulation 19C, 19DA and 19DB</i>			
Council Adoption:	Date:		Resolution #:	
Last Amended:	Date:		Resolution #:	
Review Date:	June 2021			

Objective:

To provide structure and guidance on:

1. Review of the Shire's Integrated Planning and Reporting (IPR) Framework, and
2. Preparation of the Annual Budget for each year.

Policy:

1. Integrated Planning and Reporting (IPR) Framework review shall accord to the following program:

IPR Plan	Review	Direction
<i>Strategic Community Plan (SCP)</i>	<i>September</i> - <i>Minor Review every second year.</i> - <i>Major Review every fourth year.</i> - <i>Offset to following year of the Local Government election cycle.</i>	<i>Minor Review – Assess Community Aspirations based on a ‘desktop’ approach with Elected Members.</i> <i>Council may initiate consultive ‘check-in’ process with the Community to be conducted by Shire Administration.</i> <i>Major Review – To involve the use of an independent person or company to perform min. six weeks community consultation on Community Aspirations - Elected Members and Shire staff participation excluded from this process.</i>
<i>Corporate Business Plan (CBP)</i>	<i>November/December</i> - <i>each year.</i>	<i>Assess projected annual program of works and implement changes for the coming financial year to the CBP and Corporate Compendium.</i> <i>All amendments to CBP and Compendium to be implemented prior to preparation of annual budget for the following financial year.</i> <i>Strategic projects to be drawn from Book of Initiatives.</i>
<i>Asset Management Plan (AMP)</i>	<i>November/December</i> - <i>each year.</i>	<i>Assess Policy, Strategy, and Plans specific to each asset class to inform the LTFP.</i> <i>All amendments to be implemented prior to preparation of annual budget for following year.</i>
<i>Long Term Financial Plan (LTFP)</i>	<i>November/December</i>	<i>Review and amend the LTFP based on changes to the</i>

	- each year.	AMP and Shire's fiscal position. All amendments to be implemented prior to preparation of annual budget for following year.
Workforce Plan (WP)	November/December - each year.	Assess Organisational Structure, staff resourcing, training and upskilling and together with adjustment of roles and responsibilities, as necessary. Ensure all amendments to Workforce Plan are implemented prior to preparation of annual budget for following year.
Innovations Pathway	November/December - every second year immediately following the Local Government election cycle.	Assess effectiveness of framework, including Advisory Group representation and performance, Book of Ideas and Book of Initiates. Reset representation on Advisory Groups and amend Terms of Reference, as required.

2. Preparation of the Annual Budget shall occur each year with:

- a) Every endeavour to accord with the following 'Annual Budget Preparation Guide'.
- b) Specific reference being applied to and the budget being informed by the Council's IPR framework plans.

Annual Budget Preparation Guide

Month	Function	Week	Responsibility
February	a) Review salaries and wages	Week 1-2	CEO/Managers
	b) Review depreciation	Week 2	MCC/SFO
	c) Review plant allocations	Week 2	MCC/SFO
	d) Review ABC allocations	Week 3	MCC/SFO
March	e) Create budget workbook	Week 1	MCC/SFO
	f) Commence data input	Week 1-4	MCC/SFO
	g) Review fees and charges	Week 2-3	MCC/SFO
	h) Reference IPR plans	Week 3-4	MCC/SFO
	i) Review financial reserves	Week 3-4	CEO/Managers/SFO
	j) Review capital items	Week 4	
April	k) Data input (con't)	Week 1-4	MCC/SFO
	l) Review capital items (con't)	Week 1-2	CEO/Managers/SFO
	m) Workshop – Fees & charges - Set increase – rates - Set increase – rubbish & sewerage	Week 2	Staff/Councillors
	n) Model rates	Week 3	MCC/SFO/FO
May	o) Data input (con't)	Week 1-4	MCC/SFO
	p) Workshop – First review of draft	Week 1	Staff/Councillors
June	q) Data input (con't)	Week 1-3	MCC/ SFO
	r) Confirmation of grants income	Week 1	MCC/SFO
	s) Consolidate carry forward position	Week 2	MCC/SFO
	t) Workshop – Second review of draft	Week 3	Staff/Councillors
July	u) Council Meeting – Budget adoption	Week 3	Staff/Councillors
August	v) Budget notification to LG Department	Week 1	MCC/SFO
CEO means Chief Executive Officer MCC means Manager Corporate and Community SFO means Senior Finance Officer FO means Finance Officer			

12.12.20 DRAFT LOCAL GOVERNMENT (MEETINGS PROCEDURE) LOCAL LAW 2021

File No:	ADM 0624
Date of Meeting:	10 December 2020
Location/Address:	N/A
Name of Applicant:	Shire of Brookton
Name of Owner:	N/A
Author/s:	Ian D’Arcy – Chief Executive Officer
Authorising Officer:	As above
Declaration of Interest:	The author does not have a specific interest in this item
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary of Item:

This item relates to:

- a) Preparation of a draft Local Government (Meeting Procedures) Local Law 2021 applicable to all Ordinary, Special and Committee meetings – see **Attachment 12.12.20A**.
- b) Repeal of the Shire of Brookton Extractive Industries Local Law 2011 – see **Attachment 12.12.20B**.

Both Attachments are provided under separate cover.

Description of Proposal:

As above

Background:

Section 3.16 of the *Local Government Act 1995* (the Act) provides direction for reviewing the currency and suitability of gazetted Local Laws and requires that all Local Laws be reviewed every eight years to determine their continued relevance.

At the July 2020 Ordinary Meeting the Council resolved to commence a review of its Local Laws. This included amendment and repeal where considered necessary over a period of 12 to 18 months, with the initial focus being on the preparation of a new Meetings Protocol Local Law and repeal of the existing Extractive Industry Local Law 2011.

As previously explained the Standing Orders Local Law 2000 was prepared, but never gazetted. Subsequently, the Council moved to adopt this 2000 Local Law as a Council Policy pending review and preparation of a new legislation to guide and regulate meeting procedures that partly forms the basis of this report.

The other Local Law under consideration as part of this report is repeal of the Shire Extractive Industry Local Law 2011. For the most part, this legislation is assessed as a double up on approval and enforcement, as an extractive industry use requires statutory approval from Council under the Shire of Brookton Local Planning Scheme No.4.

Consultation:

The intent of this report is to engage with and received input from members of Audit and Risk Committee on the draft Local Government (Meeting Procedures) Local Law 2021.

Statutory Environment:

Pursuant to Section 3.12 of the Act the following statutory procedure applies to amending, repealing or
Shire of Brookton, Audit and Risk Committee Agenda 10 December 2020

creating a new local law:

3.12. Procedure for making local laws

- (1) *In making a local law a local government is to follow the procedure described in this section, in the sequence in which it is described.*
- (2A) *Despite subsection (1), a failure to follow the procedure described in this section does not invalidate a local law if there has been substantial compliance with the procedure.*
- (2) *At a council meeting the person presiding is to give notice to the meeting of the purpose and effect of the proposed local law in the prescribed manner.*
- (3) *The local government is to —*
 - (a) *give local public notice stating that —*
 - (i) *the local government proposes to make a local law the purpose and effect of which is summarized in the notice; and*
 - (ii) *a copy of the proposed local law may be inspected or obtained at any place specified in the notice; and*
 - (iii) *submissions about the proposed local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*
 - and*
 - (b) *as soon as the notice is given, give a copy of the proposed local law and a copy of the notice to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister; and*
 - (c) *provide a copy of the proposed local law, in accordance with the notice, to any person requesting it.*
- [(3a) *deleted*]
- (4) *After the last day for submissions, the local government is to consider any submissions made and may make the local law* as proposed or make a local law* that is not significantly different from what was proposed.*

** Absolute majority required.*
- (5) *After making the local law, the local government is to publish it in the Gazette and give a copy of it to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister.*
- (6) *After the local law has been published in the Gazette the local government is to give local public notice —*
 - (a) *stating the title of the local law; and*
 - (b) *summarizing the purpose and effect of the local law (specifying the day on which it comes into operation); and*
 - (c) *advising that the local law is published on the local government’s official website and that copies of the local law may be inspected at or obtained from the local government’s office.*
- (7) *The Minister may give directions to local governments requiring them to provide to the Parliament copies of local laws they have made and any explanatory or other material relating to them.*
- (8) *In this section —*

making in relation to a local law, includes making a local law to amend the text of, or repeal, a local law.

Accompanying, Regulation 3 of the Local Government (Functions and General) Regulations 1996 provides that:

“for the purpose of section 3.12 of the Act, the person presiding at a Council meeting is to give notice of the purpose and effect of a local law by ensuring that;

a) the purpose and effect of the proposed local law is included in the agenda for that meeting; and

b) the minutes of the meeting of the Council include the purpose and effect of the proposed local law.”

Relevant Plans and Policy:

The only policy document applicable to this matter is Standing Orders and Meetings Procedure Local Law 2000 Policy 1.17.

This document is outdated and does not carry required the legal stature for the conduct of Council and Committee meetings.

Financial Implications:

It is estimated that the overall Local Law review process will cost approximately \$5,000 in Officer time and Advertising costs that has been be allocated in the 2020-21 draft annual budget.

Risk Assessment:

The risk in relation to this matter is assessed as ‘High’ on the basis that the review is a legislated requirement and there is no current Local Law for meeting Procedures which is not ideal. Further, the current situation with the Extractive Industry Local Law is that it duplicates process and creates confusion and cost for the applicant which has proven unnecessary in the past.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

This item relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the amended Policy supports the following Business Unit and Functions:

1. *Governance*

1.8 *Review Local Laws*

Comment

For the most part the draft Meeting Procedures Local Law as provided in **Attachment 12.12.20A** is based on the Western Australian Local Government Association (WALGA) template that reflects the Local Government industry standard.

Notwithstanding, the Audit and Risk Committee is free to review and amend the provisions of the draft Local Law before the document is submitted to Council for approval to progress in accordance with the procedure outlined under Section 3.12 of the *Local Government Act, 1995*.

As for the Extractive Industry Local Law, the repeal of this legislation will reduce 'red tape' and unnecessary cost for both the applicant and the Shire. With the Local Planning Scheme No.4 requiring an application for planning approval to be lodged and granted by the Council, and the ability for Council to impose conditions on this land use, it is viewed that a second application for an Extractive Industry Licence is not warranted.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends Council pursuant to Section 3.12 of the Local Government Act, 1995 and Regulation 3 of the Local Government (Functions and General) Regulations, 1996 progress:

1. The processing of the Local Government (Meeting Procedures) Local Law 2021 as presented in Attachment 12.12.20A to this report with:

a) The stated purpose and effect being:

- (i) To provide rules and guidelines which apply to the conduct of meetings of the Council and its committees and to meetings of electors.***
- (ii) To conduct all Council and Committee in accordance with the Act, the Regulations and these Local Laws.***
- (iii) To afford through the implementation and use of these laws:***
 - better decision-making by the Council and committees,***
 - the orderly conduct of meetings dealing with Council business,***
 - better understanding of the process of conducting meetings, and***
 - the more efficient and effective use of time at meetings.***

b) The Local Law being advertised for a minimum period of 6 weeks through public notice on the Shire website, Facebook page, e-news and the Brookton Telegraph, that includes:

- (i) A summary the purpose and effect of the Local Law as outlined in a) above.***
- (ii) Information on where the draft Local Law can be viewed and/or obtained and where submissions about the proposed local law may be lodged.***

c) A copy of the Local Law and public notice being forwarded to the Minister for Local Government; Heritage; Culture and the Arts immediately upon public notification being executed.

2. The repeal of the Shire of Brookton Extractive Industries Local Law, 2011 as presented in Attachment 12.12.20B to this report with public notice to be given in accordance with 1b) above.

Attachments provided under separate cover

12.12.20A – Local Government (Meeting Procedure) Local Law 2021

12.12.20B - Extractive Local Law

13.12.20 DRAFT POLICY 2.43 – INTERNAL AUDIT CHARTER

File No:	ADM 0624
Date of Meeting:	12 November 2020
Location/Address:	N/A
Name of Applicant:	Shire of Brookton
Name of Owner:	N/A
Author/s:	Ian D’Arcy – Chief Executive Officer
Authorising Officer:	As above
Declaration of Interest:	The author does not have a specific interest in this item
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary of Item:

This item applies to a draft policy that outlines the internal audit charter for the Shire and sets up the framework for an internal auditing program to compliment the annual external audits conducted by the Office of the Auditor General (OAG).

A copy of the draft Policy is provided as **Attachment 13.12.20A** to this report.

Description of Proposal:

This draft Policy sets out a framework for the conduct of internal audits to:

- Provide assurance to Council that the Shire’s financial and operational controls designed to manage the organisation’s risks and achieve its objectives, are operating in an efficient, effective and ethical manner.
- Assist management in improving and monitoring the Shire’s risk management, internal control and legislative compliance functions.

Background:

As part of the scope for Local Government to achieved compliance and deliver continuous improvement there is a need for internal auditing to be performed by Council through its Audit and Risk Committee. This forms part of the requirements under Regulation 17 of the Local Government (Audit) Regulations 1996 and has be highlighted by the OAG Auditors as an action to be performed.

The first step to performing internal auditing is the establishment of a framework through preparation and adoption of a policy to guide the auditing process under the auspice of the Audit and Risk Committee.

Consultation:

The intent of this report is to engage with and received input from members of Audit and Risk Committee on the draft Policy 2.43 as an adequate framework before being presented to Council for adoption.

Statutory Environment:

The head of power for the conduct of internal auditing falls to Regulation 17 of the Local Government (Audit) Regulations, 1996 which states:

17. *CEO to review certain systems and procedures*

- (1) *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to –*
- (a) *risk management; and*
 - (b) *internal control; and*

(c) legislative compliance.

- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

Furthermore, Council’s role in determining, reviewing and amending Local Government’s Policies is defined in Section 2.7(2)(b) of the *Local Government Act, 1995*.

Relevant Plans and Policy:

This is no current plans or policies that apply to this matter.

Financial Implications:

There is no financial implication in relation to internal auditing should this function be performed in-house using the existing employee. However, should the Council prefer the auditing be conducted externally by a qualified person there could be a cost in the order of \$120 - \$130 per hour.

At present the Process and Compliance Officer, who reports directly to the CEO, would be assigned to perform this function of internal auditing with the wages for this position already accommodated in the 2020-21 budget.

Risk Assessment:

The risk in relation to this matter is assessed as ‘High’ on the basis that the review of the Shire’s governance, including systems and performance, is a legislated and highly accountable requirement. The failure of achieving necessary compliance and accountability can lead to significant issues, including opportunity of theft and other fraudulent activity.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

This item relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the draft Policy supports the following Business Unit and Functions:

1. *Governance*
 - 1.9 *Maintain statutory compliance registers (complaints, declarations, etc)*

18. *Financial Control*
 - 18.6 *Co-ordinate annual audits processes*

Comment

At present the status table presented in the Audit and Risk Committee Agenda forms part of the review and reporting function of Regulation 17. With implementation of an Internal Audit Charter the Council can have further confidence that there is an increased focus by the administration on accountability and improvement of performance as required by Regulation 17.

An example of a typical internal audit subject is the Shire's fuel system. Routinely over the years there has been a failure to adequately account for diesel fuel through a manualised system, with discrepancies of 300 – 400 litres to on hand stock levels at the end of the calendar month in the main storage tank at the Shire depot. This has now been addressed with the Council acquiring an electronic dispensing and inventory control system that accurately regulates and accounts for the taking of fuel through a swipe card system. However, while the transfer of fuel from the main tank to smaller field tanks is accounted for, it has been further issue identified with accounting of fuel dispensed from the smaller tanks in the past few months. This issue has just been addressed with modification to the smaller tanks to incorporate a locking system with limited assigned access. Further monitoring and a subsequent review through a future internal audit will confirm the suitability of measures that has recently been implemented.

Therefore it is important that Council (with oversight by the Audit and Risk Committee) is satisfied with the Administration's efforts and actions in addressing required compliance for the many statutory requirements and other accountabilities imposed on this organisation. To this end the Audit and Risk Committee's input as to the appropriateness of draft Policy 2.43 is current sought.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends Council in accordance with Section 2.7(2)(b) of the Local Government Act, 1995 adopts 'Policy 2.43 – Internal Audit Charter' as presented in Attachment 13.12.20A to this report.

Attachment

13.12.20A – Policy 2.43 – Internal Audit Charter

2.43 INTERNAL AUDIT CHARTER

Directorate:	Governance			
Statutory Environment:	Local Government (Audit) Regulations 1996; Regulation 17			
Council Adoption:	Date:		Resolution #:	
Last Amended:	Date:		Resolution #:	
Review Date:	June 2021			

Objective:

The objectives of this internal audit charter are to:

- Provide assurance to Council that the Shire's financial and operational controls designed to manage the organisation's risks and achieve its objectives, are operating in an efficient, effective and ethical manner.
- Assist management in improving and monitoring the Shire's risk management, internal control and legislative compliance functions.

Policy:

1. Scope

Internal audits may cover any programs and activities of the Shire and encompass the review of all financial and non-financial policies and operations.

2. Independence

Independence is essential to the effectiveness of the internal audit function.

Internal audits will be performed by dedicated employee or external contractors appointed through a transparent Expressions of Interest process.

Internal auditor is accountable to the CEO for the efficient and effective operation of the internal audit function and will report functionally to Council through the Audit and Risk Committee.

3. Authority and Confidentiality

Internal auditors are authorised to:

- Have free and unrestricted access to all Shire's records and other documentation, premises and Shire employees.
- Obtain assistance as required from Shire employees.

Internal auditors are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

4. Roles and Responsibilities

The internal audits shall encompass examination and evaluation of the Shire's governance, risk management and internal controls coupled with performance to achieve the Shire's strategic objectives with a structured focus on adequacy and effectiveness.

Each audit may include (but not limited to):

- Evaluating risk exposure relating to achievement of the Shire's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on the organisation.
- Evaluating the means of safeguarding assets and verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are engaged/employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals.
- Monitoring, evaluating and identifying improvements to governance processes.
- Monitoring and evaluating the effectiveness of the Shire's risk management processes.
- Providing advice related to governance, risk management and internal control as appropriate.
- Reporting significant risk exposures and internal control issues, including fraud risks and governance issues
- Evaluating specific operations at the request of Council, Audit and Risk Committee or the CEO.

5. Program

Internal audit activities:

- Shall be performed on a half yearly basis with at least two activities conducted as determined by the CEO and reported to the Audit and Risk Committee.
- Need to be coordinated to help ensure adequacy of overall audit coverage and minimise duplication with the Shire's external auditing conducted by the Officer of the Auditor General.
- The methodology, assessment criteria and checklist (where practical) provided in Appendix A to this policy should be adhered to in performing an internal audit:

Appendix A

1. **Methodology**

The following generic approach should routinely be applied to each internal audit:

- a) **Audit Objectives and Scope** – audit subject, relevant legislation (where applicable) and intended outcomes to be documented.
- b) **Audit Schedule** – required resources, information, timeframe, method of approach (ie documentation review, interviewing, observation) and expected participants to be scheduled.
- c) **Audit Pre-planning** – Audit Schedule and discussion with department manager and affected employees to be entertained.
- d) **Audit Execution** – Audit process (includes sighting and examination of hard-copy or electronic records, and verification of compliance with the management systems, procedures and effective implementation of processes and internal controls) to be progressed in a fair and unbiased manner.
- e) **Audit Recording** – All evidence and notes prepared together with identified deficiencies, non-compliances, other observations, summary of findings and response from the relevant Manager is to be recorded.
- f) **Audit Reporting** - All findings with reference to supporting evidence and recommended improvement/corrective action is to be presented to the CEO and then Audit and Risk Committee in a concise audit report.

2. Assessment Criteria

The internal audit to consist of the following assessment categories/ratings:

- **Achieves Compliance (MC)** – Achieves compliance with the International Organization for Standardization (ISO) 9001 where all requirements have been effectively met.
- **Basic Improvement (BI)** – Identifies a small issue or flaw that requires some adjustment or basic improvement to be implemented.
- **Minor Non-Compliance (MI)**- Indicates issues exist of minor nature but not complete failure and requires some process improvements to be instigated.
- **Major Non-Compliance (MA)** – Identifies significant flaws and requires many changes to be addressed as a priority.

3. Checklist Template

The following table provides template to guide assessment and reporting for an internal audit.

Internal Audit Checklist

Audit No.		Auditor	
Section		Date	
Subject		Legislation	

No.	Requirement	Assessment Ranking				Notes / Findings
		C	I	MI	MA	

14.12.20 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

15.12.20 NEXT MEETING AND CLOSURE