



Shire of Wyalkatchem Audit and Risk Committee
Notice of Meeting and Agenda
to be held on Thursday 15 October 2020
commencing at 3.00pm in the Council Chambers,
Honour Avenue, Wyalkatchem

Regulation 16 of the Local Government (Audit) Regulations 1996 states that:

“An audit committee —

- a) is to provide guidance and assistance to the local government —
 - i. as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - ii. as to the development of a process to be used to select and appoint a person to be an auditor; and**

- b) may provide guidance and assistance to the local government as to —
 - i. matters to be audited; and*
 - ii. the scope of audits; and*
 - iii. its functions under Part 6 of the Act; and*
 - iv. the carrying out of its functions relating to other audits and other matters related to financial management; and**

- c) is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
 - i. report to the council the results of that review; and*
 - ii. give a copy of the CEO’s report to the council.”**

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Agenda for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 15 October 2020

1. **DECLARATION OF OPENING**
2. **PUBLIC QUESTION TIME**
3. **ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE**
4. **PETITIONS, DEPUTATIONS, PRESENTATIONS**
5. **DECLARATIONS OF INTEREST**
6. **CONFIRMATION AND RECEIPT OF MINUTES**
 - 6.1. **AUDIT AND RISK COMMITTEE MEETING – 21 May 2020**

Minutes of the Shire of Wyalkatchem’s Audit and Risk Committee Meeting held on the 21 May 2020 ([Attachment 6.1](#))

OFFICERS RECOMMENDATION

That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 21 May 2020 (Attachment 6.1); be confirmed as a true and correct record.
7. **MATTERS ARISING FROM THE MINUTES**
8. **ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS**
9. **MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

10. MATTERS REQUIRING A COMMITTEE DECISION

10.1. CORPORATE SERVICES REPORTS

10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT

| | |
|-------------------------|---|
| Applicant: | Shire of Wyalkatchem |
| Location: | Shire of Wyalkatchem |
| Date: | 8 October 2020 |
| Reporting Officer: | Ally Bryant, Manager of Corporate services |
| Disclosure of Interest: | No interests to disclose |
| File Number: | 12.02.02 |
| Attachment Reference: | Attachment 10.1.1 - Status Report |

SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a status update of outcomes from previous meeting.

BACKGROUND

In the past the Audit and Risk Committee has met when required with no status report being presented. The committee now meets every quarter to fulfil its functions and objectives as outlined in its term of reference.

COMMENT

A new status report has been developed being effective from the February 2019 Audit and Risk Management meeting and will provide the committee with a progress status and actions performed to date. Actions and status updates since the last status report will be indicated in bold. Items that have been reported as completed will be removed in future reports.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 s.5 (2)(c)

Local Government (Audit) Regulations 1996 s.17

Local Government Act 1995

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

GOAL: 10

| Outcome No. | Outcome |
|---|---|
| Transparent, accountable and effective governance | Ensuring a well-informed Council makes good decisions for the community Ensuring sound financial management and plans for the Shire's long term financial sustainability High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans |

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit and Risk Committee receives the Audit and Risk Committee Status Report, as per attachment 10.1.1, and recommends that council;

Receives the Audit and Risk Committee Status Report as per attachment 10.1.1.

10.2. RISK MANAGEMENT

10.2.1. COMPLIANCE STATUS REPORTS

| | |
|-------------------------|--|
| Applicant: | Shire of Wyalkatchem |
| Location: | Shire of Wyalkatchem |
| Date: | 8 October 2020 |
| Reporting Officer: | Ally Bryant, Manager of Corporate Services |
| Disclosure of Interest: | No interests to disclose |
| File Number: | 12.02.02, 13.11, 12.19.01 |
| Attachment Reference: | Attachment 10.2.1.1 – Audit Regulation 17 and Financial Management Review Action Plan Status Report Attachment 10.2.1.2 – Compliance Calendar Status Report Attachment 10.2.1.3 – Compliance Audit Return Management Action Plan Status Report |

SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a progress status reports on the appropriateness and effectiveness of the Shire's Systems and procedures in relation to the following:

- Audit Regulation 17
- Financial Management Review
- Statutory Compliance Calendar
- Compliance Audit Return
- Audit Findings Report

BACKGROUND

Audit Regulation 17

The Regulation 17 Review audit was conducted by AMD Chartered Accountants and produced a comprehensive list of recommendations sanctioned into the following main compliance areas

- Risk Management
- Legislative Compliance
- Internal Controls

AMD Chartered Accountants provided a number of recommendations to ensure that compliance and best practices are being followed. These recommendations were noted and an action plan was developed. A cumulative total of 16 framework components and actions were identified to increase procedural and system effectiveness in accordance with legislative requirements. These have been incorporated into an action plan

Financial Management Review

The Financial Management Review audit was conducted by AMD Chartered Accountants. The objective of the review is to assist the Chief Executive Officer discharge responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* and provide a review of the appropriateness and effectiveness of the Shire of Wyalkatchem's financial management systems and procedures.

AMD Chartered Accountants provided a number of recommendations to ensure that compliance and best practices are being followed. These recommendations were noted and an action plan was developed. A cumulative total of 18 framework components and actions were identified to increase

Agenda for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 15 October 2020

procedural and system effectiveness in accordance with legislative requirements. These have been incorporated into an action plan.

Statutory Compliance Calendar

The Statutory Compliance Calendar has been developed utilising a Statutory Compliance Calendar template provided by Western Australia Local Government Association (WALGA) being a tool that helps the Council to indent the yearly compliance actives throughout the calendar year. The objective is to assist responsible officers in being aware of monthly activities that require compliance and accountability across a various legislative components.

Compliance Audit Return

The Compliance Audit Return (CAR) assists the Shire to monitor legislative compliance by examining a range of prescribed requirements. The Shire's Compliance Audit Return 2018 was completed in January 2019 with items of non-compliance being reviewed and where applicable incorporated into a Management Action Plan.

Audit Findings Report

As part of the Council's annual audit, Council's auditor is to provide a Management Report, which contains an Audit Findings Report. For the period ending 30 June 2018 one matter was raised in their report in relation to journal entries having a significant rating. This matter was also identified in the Financial Management Review and has been included in this action plan. As only one matter was raised a status report on the Auditors Audit Findings report is not required. For an update on the progress of this action – please refer to item Reg – 3.2.2 on the Financial Management Review / Regulation 17 Action Plan Status report.

COMMENT

The action plan status reports provide the organisation with a comprehensive overview of practices and continuous improvement activities that work towards increasing best practice standards across the Shire.

Regulation 17 and Financial Management Review Action Plan Status Report

The action plan provides the organisation with a comprehensive list of actions that will ensure continuous improvement methodologies that work towards increasing best practice standards across the shire.

There are a number of actions that have completed, partially completed or in progress. Full details are in contained within attachment 10.2.1.1.

Statutory Compliance Calendar

The Statutory Compliance Calendar incorporates all compliance requirements over the course of a year, including the next due date where an item is not carried out at least once per year.

Staff are provided with a monthly "take action" providing them with their upcoming requirements. The calendar's actions have been recorded and report from responsible officer, populating the relevant details as outlined in attachment 10.2.1.2.

Compliance Audit Return

The majority of the items included in the Management Action Plan have already been identified and included in the Regulation 17 and/or Financial Management Review action plans. With that being said, it is important that the Audit committee are provided with updated progress of the actions as

identified within the CAR Management Action plan to ensure that the required items are being actioned / addressed. Full details are contained within attachment 10.2.1.3.

Outstanding items

There are a number of items that are pending completion. The majority of items are outstanding only due to the suggested timing and have not resulted in any compliance breach. Council has a number of tasks that are required in order to meet compliance and best practice. Significant delays have occurred due to the reduction of staff resources.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 s.5 (2)(c)

Local Government (Audit) Regulations 1996 s.17

Local Government Act 1995

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

GOAL 10

| Outcome No. | Outcome |
|---|--|
| Transparent, accountable and effective governance | <ul style="list-style-type: none">• Ensuring a well-informed Council makes good decisions for the community• Ensuring sound financial management and plans for the Shire's long term financial sustainability• High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans |

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit and Risk Committee;

- 1. Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).*
- 2. Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).*
- 3. Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).*

Agenda for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 15 October 2020

That the Audit Committee recommends that Council;

- 1. Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).*
- 2. Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).*
- 4. Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).*

10.2.2. INTERIM AUDIT MANAGEMENT LETTER

| | |
|-------------------------|---|
| Applicant: | Shire of Wyalkatchem |
| Location: | Shire of Wyalkatchem |
| Date: | 15 October 2020 |
| Reporting Officer: | Ally Bryant, Manager of Corporate Services |
| Disclosure of Interest: | No interests to disclose |
| File Number: | 12.02.01 |
| Attachment Reference: | Attachment 10.2.2.1 – Office of Auditor General – Management Letter Attachment 10.2.2.2 – Assessment of New Accounting Standards |

SUMMARY

Council is required to accept the Management Letter prepared by the Office of the Auditor General.

BACKGROUND

Council is required to have an Interim Audit which is undertaken by an Auditor approved by the OAG. For the FY 19/20 the interim audit was not completed due to limited staff capacity and was postponed until the September 2020 audit.

During the audit planning stage it was identified that Council had not performed a detailed assessment of the new account standards.

COMMENT

The Officer of Auditor General Management Letter has identified one significant management control issue.

Item 1 – Assessment of new accounting standards

The Risk Management Plan was drafted in September 2014 and is more than 5 years old.

Rating: Significant

Implication

Non-compliance with AASB 15 and 1058. As a result the Shires revenue may be overstated for the financial year and leasing commitments not accurately disclosed in the Statement of Financial Position.

Recommendation

It is recommended that the Shire complete detailed revenue recognition assessment of all revenue streams in order to conclude if a particular revenue stream or transaction arises from an enforceable contract with a customer and has sufficiently specific performance obligations. The assessment will trigger the revenue recognition requirements under AASB 15, or if it falls outside this scope, under AASB 1058.

Management Comment

Noted.

Management agreed with the recommendation and have provided the auditors with an Assessment of the New accounting Standards Attached 10.2.2.2.

STATUTORY ENVIRONMENT

Local Government Act 1995 section 7.12A – Duties of local government with respect to audits.

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

Goal: Transparent, accountable and effective governance.

| Goal No. | Strategies | | Actions |
|----------|---|------|--|
| Goal 10 | Transparent, accountable and effective governance | 10.1 | <ul style="list-style-type: none">Ensuring a well-informed Council makes good decisions for the community |
| | | 10.2 | <ul style="list-style-type: none">Ensuring sound financial management and plans for the Shire’s long term financial sustainability |
| | | 10.3 | <ul style="list-style-type: none">High quality corporate governance, accountability and compliance |
| | | 10.4 | <ul style="list-style-type: none">Maintaining Integrated Strategic and Operational plans |

VOTING REQUIREMENT

Simple Majority

OFFICER’S RECOMMENDATION

That the Audit and Risk Management Committee:

- 1. Accepts the 2019/2020 Management Letter prepared by Office of Auditor General (Attachment 12.1.2.1) and accepts management comments and actions in relation to the audit outcomes.*

Agenda for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 15 October 2020

11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN

13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

14. MATTERS BEHIND CLOSED DOORS

15. CLOSURE OF THE MEETING



Shire of Wyalkatchem Audit and Risk Committee Meeting
held on Thursday 21 May 2020
commencing at 3.00pm in the Council Chambers,
Honour Avenue, Wyalkatchem

Regulation 16 of the Local Government (Audit) Regulations 1996 states that:

“An audit committee —

- a)** is to provide guidance and assistance to the local government —
 - i.** as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - ii.** as to the development of a process to be used to select and appoint a person to be an auditor; and**

- b)** may provide guidance and assistance to the local government as to —
 - i.** matters to be audited; and*
 - ii.** the scope of audits; and*
 - iii.** its functions under Part 6 of the Act; and*
 - iv.** the carrying out of its functions relating to other audits and other matters related to financial management; and**

- c)** is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
 - i.** report to the council the results of that review; and*
 - ii.** give a copy of the CEO’s report to the council.”**

Preface

When the Chief Executive Officer approved these Minutes for distribution they are in essence “*Unconfirmed*” until the following Audit and Risk Committee Meeting, where the minutes will be confirmed subject to any amendments.

The “*Confirmed*” Minutes are then signed off by the Chairperson.

Unconfirmed Minutes

These minutes were approved for distribution on 28 May 2020



Taryn Dayman
Chief Executive Officer
Shire of Wyalkatchem

Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Wyalkatchem for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Committee’s decisions, which will be provided within ten days of this meeting.

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1. DECLARATION OF OPENING

The Chairperson declared the meeting open at: 3:11pm.

2. PUBLIC QUESTION TIME

2.1. Response to Public Questions Previously Taken on Notice

Nil

2.2. Declaration of Public Question Time opened

Public Question time opened at 3:11pm.

There were no members of the public.

2.3. Declaration of Public Question Time closed

Public question time closed at 3:11pm.

3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE

3.1. Attendance

Members: Cr. Owen Garner (Presiding Member)

Cr. Quentin Davies

Cr. Mischa Stratford

Cr. Emma Holdsworth (Deputy)

Cr. Rachel Nightingale

Staff: Taryn Dayman Chief Executive Officer

Stephanie Elvidge Governance Executive Officer

3.2. Apologies

Cr. Stephen Gamble.

3.3. Approved Leave of Absence

Nil

3.4. Applications for Leave of Absence

Nil

4. PETITIONS, DEPUTATIONS, PRESENTATIONS

Nil

5. DECLARATIONS OF INTEREST

Nil

6. CONFIRMATION AND RECEIPT OF MINUTES

6.1. AUDIT AND RISK COMMITTEE MEETING – 20 February 2020

Minutes of the Shire of Wyalkatchem's Audit and Risk Committee Meeting held on the 20 February 2020 (Attachment 6.1)

OFFICERS RECOMMENDATION

That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 20 February 2020 (Attachment 6.1); be confirmed as a true and correct record.

COUNCIL RESOLUTION

(7/2020) Moved: Cr Nightingale

Seconded: Cr Holdsworth

***That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on
the 20 February 2020 (Attachment 6.1); be confirmed as a true and correct record.***

CARRIED 5/0

7. MATTERS ARISING FROM THE MINUTES

Nil

8. ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS

Nil

9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

10. MATTERS REQUIRING A COMMITTEE DECISION

10.1. CORPORATE SERVICES REPORTS

10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT

| | |
|-------------------------|---------------------------------------|
| Applicant: | Shire of Wyalkatchem |
| Location: | Shire of Wyalkatchem |
| Date: | 15 May 2020 |
| Reporting Officer: | Taryn Dayman, Chief Executive Officer |
| Disclosure of Interest: | No interests to disclose |
| File Number: | 12.02.02 |
| Attachment Reference: | Attachment 10.1.1 - Status Report |

SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a status update of outcomes from previous meeting.

BACKGROUND

In the past the Audit and Risk Committee has met when required with no status report being presented. The committee now meets every quarter to fulfil its functions and objectives as outlined in its term of reference.

COMMENT

A new status report has been developed being effective from the February 2019 Audit and Risk Management meeting and will provide the committee with a progress status and actions performed to date. Actions and status updates since the last status report will be indicated in bold. Items that have been reported as completed will be removed in future reports.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 s.5 (2)(c)

Local Government (Audit) Regulations 1996 s.17

Local Government Act 1995

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

Objective: A well-managed and effective Council organisation

| Outcome No. | Outcome | Action No. | Actions |
|-------------|---|------------|---|
| 5.1 | A well-governed, efficient and responsive organisation | 5.1.1 | Implement effective governance structures |
| | | 5.1.2 | Embed sound risk management frameworks to mitigate council's strategic and operational risk |
| 5.4 | Robust and accountable business and financial processes | 5.4.2 | Ensure efficient use of resources |

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit and Risk Management Committee:

1. *Receives the Audit and Risk Committee Status Report, as per attachment 10.1.1*

COMMITTEE RESOLUTION:

(8/2020) Moved: Cr Stratford Seconded: Cr Holdsworth

That the Audit and Risk Management Committee:

1. *Receives the Audit and Risk Committee Status Report, as per attachment 10.1.1*

CARRIED 5/0

10.2. RISK MANAGEMENT

10.2.1. COMPLIANCE STATUS REPORTS

| | |
|-------------------------|--|
| Applicant: | Shire of Wyalkatchem |
| Location: | Shire of Wyalkatchem |
| Date: | 15 May 2020 |
| Reporting Officer: | Taryn Dayman, Chief Executive Officer |
| Disclosure of Interest: | No interests to disclose |
| File Number: | 12.02.02, 13.11, 12.19.01 |
| Attachment Reference: | Attachment 10.2.1.1 – Audit Regulation 17 and Financial Management Review Action Plan Status Report Attachment 10.2.1.2 – Compliance Calendar Status Report Attachment 10.2.1.3 – Compliance Audit Return Management Action Plan Status Report |

SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a progress status reports on the appropriateness and effectiveness of the Shire's Systems and procedures in relation to the following:

- Audit Regulation 17
- Financial Management Review
- Statutory Compliance Calendar
- Compliance Audit Return
- Audit Findings Report

BACKGROUND

Audit Regulation 17

The Regulation 17 Review audit was conducted by AMD Chartered Accountants and produced a comprehensive list of recommendations sanctioned into the following main compliance areas

- Risk Management
- Legislative Compliance
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Minutes for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 21 May 2020

developed. A cumulative total of 18 framework components and actions were identified to increase procedural and system effectiveness in accordance with legislative requirements. These have been incorporated into an action plan.

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The Statutory Compliance Calendar has been developed utilising a Statutory Compliance Calendar template provided by Western Australia Local Government Association (WALGA) being a tool that helps the Council to indent the yearly compliance actives throughout the calendar year. The objective is to assist responsible officers in being aware of monthly activities that require compliance and accountability across a various legislative components.

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COMMENT

The action plan status reports provide the organisation with a comprehensive overview of practices and continuous improvement activities that work towards increasing best practice standards across the Shire.

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The action plan provides the organisation with a comprehensive list of actions that will ensure continuous improvement methodologies that work towards increasing best practice standards across the shire.

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Compliance Audit Return

The majority of the items included in the Management Action Plan have already been identified and included in the Regulation 17 and/or Financial Management Review action plans. With that being said, it is important that the Audit committee are provided with updated progress of the actions as identified within the CAR Management Action plan to ensure that the required items are being actioned / addressed. Full details are contained within attachment 10.2.1.3.

Outstanding items

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Local Government (Audit) Regulations 1996 s.17

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POLICY IMPLICATIONS

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FINANCIAL IMPLICATIONS

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COMMUNITY & STRATEGIC OBJECTIVES

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Objective: A well-managed and effective Council organisation

| Outcome No. | Outcome | Action No. | Actions |
|-------------|---|------------|---|
| 5.1 | A well-governed, efficient and responsive organisation | 5.1.1 | Implement effective governance structures |
| | | 5.1.2 | Embed sound risk management frameworks to mitigate council's strategic and operational risk |
| 5.4 | Robust and accountable business and financial processes | 5.4.2 | Ensure efficient use of resources |

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit and Risk Committee;

- 1. Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).*
- 2. Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).*

Minutes for the Audit Committee Meeting to be held in the Shire of Wyalkatchem Council Chambers on the 21 May 2020

3. *Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).*

COMMITTEE RESOLUTION:

(9/2020) Moved: Cr Stratford Seconded: Cr Davies

That the Audit and Risk Management Committee;

1. ***Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).***
2. ***Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).***
3. ***Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).***

CARRIED 5/0

11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

Nil

14. MATTERS BEHIND CLOSED DOORS

Nil

15. CLOSURE OF THE MEETING

There being no further business to discuss, the Chairperson thanked everyone for their attendance and closed the meeting at 3:26pm.





Audit and Risk Committee Status Report

In accordance with the *Local Government Act 1995 5.41(c)* the function of the CEO is to; Cause council decisions to be implemented.

The purpose of the Shire of Wyalkatchem Audit and Risk Committee Meeting Status report is to provide a progress status and actions performed to date, as well as anticipated completion dates. The presentation of the status report is effective from the May 2019 Audit and Risk Committee Meeting. Actions and status updates since the last status report are indicated in bold. Items that have been reported as completed will be removed in future reports.

SHIRE OF WYALKATCHEM AUDIT AND RISK COMMITTEE MEETING STATUS REPORT AS AT 21 MAY 2020

| MINUTE REFERENCE | DETAIL | REPOSIBLE OFFICER | STATUS / COMMENTS | STATUS / ANTICIPATED COMPLETION |
|-----------------------|--|-------------------|--|---------------------------------|
| 02/2019 10.2.3 | 2. That the Audit Committee; Request that the Chief Executive Officer conducts a review of the Shire's Risk Management Plan and present the plan to the Audit Committee for endorsement. | 2. CEO | 2. Noted, Quotation sought. Project pending commencement | 2. In Progress |





Regulation 17 & FMR Action Plan Status Report

| AREA | Risk Rating | Management Action | Primary Responsible Officer | Current Status | Deadline Date | Comments |
|-------------------------|-------------|--|----------------------------------|------------------------------|---------------|---|
| 1.2.1.1 | Minor | Develop and implement an "Authority to Raise Debtor Invoice" form | Finance & Administration Officer | Finalised | 28-Feb-19 | Debtor Request form has been created |
| 1.2.1.2 | Minor | Raising of invoices procedure to be developed and communicated to staff. | Finance & Administration Officer | in progress | 28-Feb-19 | Currently under development |
| 2.2.1 | Minor | Develop Pool income receipting and end of day procedures. | Manager Corporate Services | Pending | 28-Feb-20 | Procedure for management of gold coin donations to be produced prior to pool opening 01/11/2020 |
| 3.2.1.2 | Moderate | Procedure regarding security of plant to be developed and communicated to staff | Manager of Works | In Progress | 30-Apr-19 | Security upgraded and communicated. Estimate to be completed by 30 June 2019. Electronic Gate System on hold pending new Depot. New Depot plans deferred to next financial year. Gates to remain manually locked. |
| 3.2.1.3 | Moderate | Depot / plant key register to be developed | Manager of Works | Pending | 30-Apr-19 | To follow office key sign in and out procedure and communicate to staff by 31/5/2019. New MOW in place Dec 2019 |
| 3.2.1.4 | Moderate | Management will investigate an electronic key booking system, which tracks the issue and return of key | Finance Officer | Pending | 31-Mar-19 | Currently being investigated |
| 4.2.1.1 | Significant | Develop a Financial End of Month Check list | Manager Corporate Services | Complete - no further action | 28-Feb-19 | End of Month Checklist developed. |
| 4.2.1.3 | Significant | End of month procedures to be developed and included in the Register of Procedures | Manager Corporate Services | Pending | 31-Mar-19 | Number of templates have been developed and linked to the checklist, to be incorporated into procedures |
| 4.2.2.2 | Moderate | FBT procedure to be developed and included in the Register of Procedures | Manager Corporate Services | Pending | 31-Mar-19 | MCS Aware and procedure to be developed by 01/12/2020 |
| 4.2.2.4 | Moderate | FBT calculations to be independently reviewed and authorised | Manager Corporate Services | Pending | 30-Apr-19 | This needs adding to FBT procedure |
| 5.2.1.1 | Significant | Credit Card Agenda item, including credit card summary, credit card statements and independent review to be presented to Council each month. | Manager Corporate Services | In Progress | 11-Feb-19 | Practice in place, formal procedures to be developed |
| 5.2.1.3 | Significant | Review and/or develop Credit Card Holder agreement | Manager Corporate Services | Pending | 15-Mar-19 | Will be completed in conjunction with development of form procedures as per item 5.2.1.1 |
| 5.2.1.5 | Significant | Credit Card independent review / authorisation procedure to be developed and included in the Register of Procedures | Manager Corporate Services | In Progress | 31-Mar-19 | Credit Card Statement is being independently reviewed. Review, including disclosure presented to Council each month. |
| 5.2.2.1 | Significant | 'Change to Creditors Masterfile' procedure to be developed and included in the Register of Procedures | Manager Corporate Services | Pending | 30-Apr-19 | MCS Aware and procedure to be developed by 01/12/2020 |
| 5.2.2.2 | Significant | 'Change to Payroll Masterfile' procedure to be developed and included in the Register of Procedures | Manager Corporate Services | Pending | 30-Apr-19 | MCS Aware and procedure to be developed by 01/12/2020 |
| 5.2.2.3 | Significant | 'Change to Creditors Masterfile' authorisation coversheet to be developed | Manager Corporate Services | Pending | 30-Apr-19 | MCS Aware coversheet to be made in conjunction with procedure 01/12/2020 |
| 5.2.2.4 | Significant | 'Change to Payroll Masterfile' authorisation coversheet to be developed | Manager Corporate Services | Pending | 30-Apr-19 | MCS Aware coversheet to be made in conjunction with procedure 01/12/2020 |
| 5.2.2.5 | Significant | REMOVED | Manager Corporate Services | In Progress | 30-Apr-19 | No Comment available at this time |
| 5.2.2.6 | Significant | Random Audit of bank accounts listed on payments to be audited for each payment | Manager Corporate Services | Pending | 30-Apr-19 | No Comment available at this time |
| 5.2.3.1 | Significant | A Request for Quotation form to be reviewed and implemented. | Chief Executive Officer | In Progress | 30-Apr-19 | Currently in draft, to be workshopped with MOW |

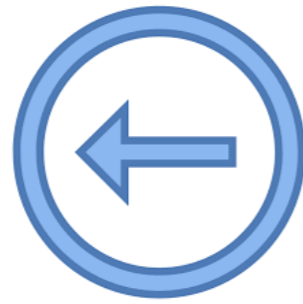
| AREA | Risk Rating | Management Action | Primary Responsible Officer | Current Status | Deadline Date | Comments |
|-------------------------|-------------|--|------------------------------|------------------------------|---------------|--|
| 5.2.3.2 | Significant | Procedures to be developed in line with Council's purchasing policy and included in the Register of Procedures | Chief Executive Officer | Pending | 30-Apr-19 | Procedures to be developed on finalisation of Request for Quotation |
| 5.2.4.2 | Moderate | Develop CEO's authorisation to incur liabilities procedure and included in the Register of Procedures | Chief Executive Officer | In Progress | 30-Mar-19 | Draft procedures are being updated to reflect change in processes due to new financial system, to be finalised and added to the register |
| 5.2.5.1 | Minor | Petty Cash procedures to be developed and included in the Register of Procedures | Finance Officer | in progress | 31-Jan-19 | Currently under development |
| 6.2.1.1 | Moderate | Review After-hours access for depots | Manager of Works | In Progress | 30-May-19 | Procedure to be developed |
| 6.2.1.2 | Moderate | Identify cost effective security measures and implement | Manager of Works | In Progress | 30-May-19 | Needs to be formalised |
| 6.2.1.3 | Moderate | Develop a depot master plan ensuring adequate security measures | Manager of Works | In Progress | 30-Apr-19 | Being included in Depot master plan |
| 6.2.1.5 | Moderate | Develop Fuel usage policy | Chief Executive Officer | Pending | 21-Mar-19 | |
| 6.2.1.6 | Moderate | Develop fuel usage for all bowers (including mobile bowers) procedures and included in the Register of Procedures | Manager of Works | Pending | 31-Mar-19 | will address once Policy revised |
| 6.2.1.7 | Moderate | Implement monthly fuel usage records and monthly stocktake | Manager Corporate Services | Complete - no further action | 28-Feb-19 | Process, practices and templated have been introduced and currently in place. Procedure has been prepared and included in register of procedures |
| 6.2.1.8 | Moderate | Fuel stock on hand to be reconciled monthly | Manager Corporate Services | Complete - no further action | 28-Feb-19 | Process, practices and templated have been introduced and currently in place. Procedure has been prepared and included in register of procedures |
| 6.2.1.9 | Moderate | Fuel stock on hand reconciliation to be included on EOM financial check list | Manager Corporate Services | Complete - no further action | 28-Feb-19 | Completed |
| 6.2.2.1 | Moderate | Termination calculation coversheet to be reviewed and include evidence of an independent review and authorisation. | Manager Corporate Services | Pending | 31-Mar-19 | We use a template from IT Vision which is maintained with the most up to date relevant information. A prepared by and authorised by signing to be added |
| 6.2.2.3 | Moderate | Review and/or Develop Human Resource framework and included in the Register of Procedures | Chief Executive Officer | Pending | 30-Nov-19 | |
| 6.2.3.2 | Minor | Develop a Fuel stock usage policy | Chief Executive Officer | Pending | 21-Mar-19 | |
| 6.2.4 | Minor | Review current private works arrangements | Manager Corporate Services | Pending | 31-May-19 | New Quoting form has been developed. Review on loss currently pending - Will defer until the end of 2018-2019 |
| 7.2.1.2 | Significant | Appoint Manager or works as the complaints officer in the event of a complaint against the CEO | Chief Executive Officer | Complete - no further action | 31-Mar-19 | Policy adopted including MOW as complaints officer - CEO to write to MOW formalising appointment. |
| 7.2.1.4 | Significant | Develop a Complaints procedure and include in the Register of Procedures | Chief Executive Officer | Pending | 30-Apr-19 | |
| 7.2.3.2 | Moderate | Develop procedures for the management of Primary & Annual Return Registers including increase in record keeping practices ensuring compliance is met | Governance Executive Officer | Complete - no further action | 30-Apr-19 | |
| 7.2.4 | Moderate | 0 | Manager Corporate Services | Pending | 0-Jan-00 | No Comment available at this time |
| 2.1.2.1 | Significant | Review Risk Management Plan | Chief Executive Officer | In Progress | 30-Apr-19 | Quotes obtain for review of plan |
| 2.2.1.2 | Significant | Review Risk Register. | Chief Executive Officer | In Progress | 30-Apr-19 | Quotes obtain for review of risk Register |
| 2.2.1.3 | Significant | Review and/or develop Risk Management Framework policies. | Chief Executive Officer | Pending | 30-May-19 | To be completed once plan has been finalised, if required |
| 2.2.1.4 | Significant | Review and/or develop Risk Framework procedures | Chief Executive Officer | Pending | 30-Jun-19 | To be completed once plan has been finalised, if required |
| 2.2.1.5 | Significant | Status on Risk Register to be presented to Shire's Audit Committee on a regular basis | Chief Executive Officer | Pending | 16-May-19 | to commence once plan has been finalised |

| | AREA | Risk Rating | Management Action | Primary Responsible Officer | Current Status | Deadline Date | Comments |
|--------------------------|--|-------------|--|----------------------------------|------------------------------|---------------|---|
| 2.2.2.1 | Reg 17 - 2.2.2 Contract Management | Moderate | A contract management framework to be developed in line with Council's reviewed policies and procedures. | Chief Executive Officer | Pending | 30-Jul-19 | |
| 2.2.2.2 | Reg 17 - 2.2.2 Contract Management | Moderate | A register of contracts to be reviewed and/or developed in line with ADM recommendations | Chief Executive Officer | In Progress | 30-May-19 | Currently under development |
| 2.2.2.3 | Reg 17 - 2.2.2 Contract Management | Moderate | Staff Training. Staff who are required to oversee the appointments of contacts, including risk assessment, valuation, compliance etc. to attend Contract Management training by WALGA. | Chief Executive Officer | Pending | 10-Apr-19 | Past training has conflicted with other commitments, CEO and MOW to be enrolled in the next training |
| 2.2.2.4 | Reg 17 - 2.2.2 Contract Management | Moderate | Contract management resources, including WALGA processes and templates to be incorporated into Shire contract management processes | Chief Executive Officer | Pending | 30-Jul-19 | Delayed, due to delay in attending training |
| 2.2.2.5 | Reg 17 - 2.2.2 Contract Management | Moderate | Contract Administration to be reviewed and processes to be developed to meet compliance and best practices. | Chief Executive Officer | Pending | 30-May-19 | Delayed, due to delay in attending training |
| 2.2.2.6 | Reg 17 - 2.2.2 Contract Management | Moderate | Roll Out Velpic online induction Platform | Governance Executive Officer | Being Reviewed | 30-May-19 | Now in place and current practice |
| 2.2.3.1 | Reg 17 - 2.2.3 - Lease Management | Moderate | Review / Develop a Lease Register | Finance & Administration Officer | In Progress | 31-Mar-19 | Being reviewed in conjunction with contracts register, some progressed made. |
| 2.2.3.2 | Reg 17 - 2.2.3 - Lease Management | Moderate | Lease Register key dates to be incorporated into Compliance Calendar | Governance Executive Officer | Complete - no further action | 31-Mar-19 | To be commence once lease register has been updated. Residential lease renewal dates have been added to calendar. NOT A COMPLIANCE CALENDAR MATTER- TO BE REGISTERED IN THE GENERAL CALENDAR |
| 2.2.3.3 | Reg 17 - 2.2.3 - Lease Management | Moderate | Lease Register to be regularly reviewed and actioned | Finance & Administration Officer | in progress | 31-Mar-19 | Currently under development |
| 2.2.4.4 | Reg 17 - 2.2.4 - Risk Management Policies & Procedures | Moderate | Develop a complete register of procedures | All Staff | In Progress | 30-Dec-19 | Register of procedures format developed, new procedures being included on development. - This will be an ongoing development |
| 2.2.5.2 | Reg 17 - 2.2.5 - Councillor Inductions | Minor | Develop a Council Induction procedure, including checklists, acknowledgments and verification | Governance Executive Officer | Complete - no further action | 31-Oct-19 | Manual in place and given to new Councillors on commencement |
| 2.2.5.4 | Reg 17 - 2.2.5 - Councillor Inductions | Minor | Council induction to be incorporated into Council Election checklists | Chief Executive Officer | Pending | 1-Jul-19 | Incorporated into the Shire's compliance calendar |
| 2.2.6.1 | Reg 17 - 2.2.6 - Attendance at Local Government Training and Conferences | Minor | Develop a training matrix based on position descriptions | Governance Executive Officer | in progress | 30-May-19 | Currently under development with LGIS |
| 2.2.6.2 | Reg 17 - 2.2.6 - Attendance at Local Government Training and Conferences | Minor | Identify gaps and training requirements | Finance & Administration Officer | Pending | 14-Jun-19 | Will commence after development of training matrix |
| 2.2.6.3 | Reg 17 - 2.2.6 - Attendance at Local Government Training and Conferences | Minor | Develop a Staff training program and budget. | Finance & Administration Officer | Pending | 14-Jun-19 | Will commence after development of training matrix |
| 2.2.6.4 | Reg 17 - 2.2.6 - Attendance at Local Government Training and Conferences | Minor | Identify LG specific training, seminars and conferences that meet the needs of the organisation and staff development. | Finance & Administration Officer | Pending | 14-Jun-19 | Will commence after development of training matrix |
| R3.2.1.1 | Reg 17 - 3.2.1 - Tendering | Significant | Identified Staff to attend WALGA Procurement training | Chief Executive Officer | Pending | 30-Apr-19 | Training dates have been in conflict with other commitments, CEO and MOW to attend next scheduled training |
| R3.2.1.2 | Reg 17 - 3.2.1 - Tendering | Significant | Physical Tender Register to be developed | Chief Executive Officer | Complete - no further action | 30-May-19 | Tender File has been developed. |
| R3.2.1.3 | Reg 17 - 3.2.1 - Tendering | Significant | Tendering Framework and procedures to be developed, including checklists, risk assessments, templates etc. and incorporating items included in the AMD recommendations. | Chief Executive Officer | Pending | 30-Jun-19 | To be commenced on completion of training |
| 3.2.2 | Reg 17 - 3.2.2 - General accounting journals | Significant | Develop a new Journal Authorisation procedure and include in the Register of Procedures. | Manager Corporate Services | Complete - no further action | 28-Feb-19 | New Systems and Controls have been put in place, including new coversheet, authorisation and Journal Regisgter. Formal procedure has been developed and included in Register of Procedures. |

| | AREA | Risk Rating | Management Action | Primary Responsible Officer | Current Status | Deadline Date | Comments |
|-------------------------|--|-------------|--|----------------------------------|------------------------------|---------------|---|
| 3.2.3 | Reg 17 - 3.2.3. Masterfile Accuracy and Validity | Significant | Master Details procedure to be developed and included in the Register of Procedures | Manager Corporate Services | Pending | 31-Mar-19 | No Comment available at this time |
| 3.2.4.1 | Reg 17 - 3.2.4. Business Continuity Plan, Backup Procedures and Security of the Server | Moderate | External Backup Procedure to be reviewed and included in Register or Procedures. | Manager Corporate Services | Complete - no further action | 30-May-19 | External backup is now being carried out nightly by PCS. A procedure would be available from PCS. |
| 3.2.4.3 | Reg 17 - 3.2.4. Business Continuity Plan, Backup Procedures and Security of the Server | Moderate | Nightly backup tape to be taken offsite (proposed Australia Post). | Manager Corporate Services | Complete - no further action | 28-Feb-19 | No longer required as PCS have been engaged to perform nightly offsite backups. |
| 3.2.4.5 | Reg 17 - 3.2.4. Business Continuity Plan, Backup Procedures and Security of the Server | Moderate | Business Continuity Plan to be developed | Chief Executive Officer | In Progress | 30-Jun-19 | Contact has been made with LGIS to assist in the development of the plan |
| 3.2.4.6 | Reg 17 - 3.2.4. Business Continuity Plan, Backup Procedures and Security of the Server | Moderate | IT Disaster Recovery Plan to be developed | Chief Executive Officer | Pending | 30-Jun-19 | Will be considered as part of the Business Continuity plan |
| 3.2.4.7 | Reg 17 - 3.2.4. Business Continuity Plan, Backup Procedures and Security of the Server | Moderate | IT Disaster Recovery Plan to be tested biannually | Manager Corporate Services | Pending | 30-Jun-19 | MCS to discuss with PCS as they would test this. |
| 3.2.5.2 | Reg 17 - 3.2.5. Information Technology | Moderate | Develop an IT Strategic Plan and IT replacement schedule. | Manager Corporate Services | Pending | 30-May-19 | Basic IT replacement schedule prepared as part of the budget processed, will need to be expanded |
| 3.2.5.4 | Reg 17 - 3.2.5. Information Technology | Moderate | Develop use of external USB devices policy | Chief Executive Officer | Pending | 21-Mar-19 | No Comment available at this time |
| 3.2.5.5 | Reg 17 - 3.2.5. Information Technology | Moderate | Develop use of external USB devices procedures and include in Register of Procedures. | Manager Corporate Services | Pending | 30-May-19 | No Comment available at this time |
| 3.2.5.6 | Reg 17 - 3.2.5. Information Technology | Moderate | Computer profiles to be set up to automatically lock after a few minutes of inactivity. | Manager Corporate Services | Pending | 31-Jan-19 | MCS will contact PCS have implemented by 01/12/2020 |
| 3.2.5.7 | Reg 17 - 3.2.5. Information Technology | Moderate | Review Data#3 IT infrastructure report and recommendations. Include in IT Strategic Plan. | Manager Corporate Services | Pending | 30-May-19 | No Comment available at this time |
| 3.2.6.1 | Reg 17 - 3.2.6. Grant Funding Register | Moderate | Grant Register to be reviewed. | Finance & Administration Officer | In progress | 30-Apr-19 | Register currently being developed |
| 3.2.6.2 | Reg 17 - 3.2.6. Grant Funding Register | Moderate | Grant Register reconciliation / status updates to be included in End of Month Financial Checklists / Compliance Calendar | Finance & Administration Officer | Pending | 30-Apr-19 | To be completed once Register is finalised |
| 4.3.1.6 | Reg 17 - 4.3.1. Audit Committee | Moderate | Regular audits of Council's Website | Governance Executive Officer | Complete - no further action | 31-May-19 | Register in place. |
| 4.3.2.1 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Develop Asset Management Plan. | Chief Executive Officer | Pending | 30-Dec-19 | Will be completed after the SCP and CBP have been adopted |
| 4.3.2.2 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Develop Long Term Financial Plan. | Chief Executive Officer | Pending | 30-Dec-19 | Will be completed after the SCP and CBP have been adopted |
| 4.3.2.3 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Conduct a "full review" of Council's Strategic Community Plan | Chief Executive Officer | Complete - no further action | 30-May-19 | |
| 4.3.2.4 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Develop Corporate Business Plan | Chief Executive Officer | Pending | 30-Jun-19 | Corporate Business Plan actions have been developed based on draft SCP and workshopped with Councillors. Plan to be completed |
| 4.3.2.5 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Review and/or develop other informing strategies, i.e. Workforce plan. | Chief Executive Officer | Pending | 31-Jul-19 | Will be completed after the SCP and CBP have been adopted. LTFP has been commenced based on draft SCP and CBP |
| 4.3.2.6 | Reg 17 - 4.3.2. Integrated Strategic Planning | Moderate | Review and/or develop Strategic Asset Management Policy | Chief Executive Officer | Pending | 21-Mar-19 | Will be completed after the SCP and CBP have been adopted |
| 4.3.3.2 | Reg 17 - 4.3.3. Compliance Manual | Moderate | Develop Compliance Calendar Procedures | Governance Executive Officer | in progress | 31-Jan-19 | CEO has reviewed Procedures and requested changes. Changes made. CEO reviewed. Changes made. ACEO to review |



Wyalkatchem Compliance Calendar
STATUS REPORT
1 May to 30 September 2020



Deferment
required by

| | Compliance Action | Compliance Frequency | Audit Committee | Council | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|--------|---|----------------------|-----------------|---------|------------|--|---------------|----------------|--|----------------|---|
| | Prior reports outstanding items | | | | | | | | | | |
| Mar-19 | Community Engagement Develop a community engagement policy / strategy | | | ✓ | 15/03/2019 | Chief Executive Officer | Not Commenced | ✗ | ✗ | N/A | Pending development in conjunction with the review of the CSP - deferment in timing only. Date only a suggested timing only. Not a compliance breach. |
| Mar-19 | Customer Complaints Handling - Review <ul style="list-style-type: none"> Review the complaint handling policy, procedures and Elected Member and Employee training Analyse complaints data to identify opportunities to improve service provision Provide periodic reports to Council on complaints data analysis Last completed: dd/mm/yyyy Next Due: dd/mm/yyyy | Annual | | ✓ | 15/03/2019 | Chief Executive Officer | not commenced | ✗ | ✗ | N/A | Policy reviewed and adopted 18/04/2019. Handling procedure review can now commence. Completion date was a suggestion timing only. Not a compliance breach and considered low priority at this time |
| Mar-19 | Authorisations to Incur Liabilities - Review Review list of persons authorised under the CEO's procedures for FM.Reg.5 to incur a liability. Check \$value limitations and authorised persons to ensure efficient operations and appropriate internal controls | Annual | | | 31/03/2019 | Chief Executive officer | In Progress | ✗ | ✗ | N/A | Timing suggestion only. Staff have been briefed on changes and requirements, Formal documentation required in order to complete task. No compliance breach. Officers have been reviewed. Process to be reviewed to incorporate new financial system and reflect improved processes |
| Mar-19 | Public Interest Disclosure Procedures - Internal Audit - LG must prepare and publish internal procedures relating to the LG's obligations under the PID Act. Procedures must be consistent with the Commissioner's Guidelines. | Annual | | | 31/03/2019 | Governance Executive Officer | Complete | ✗ | ✗ | N/A | Complete |
| Apr-19 | Review and Reconcile Grant Register. Status Updates required for each monthly Financial Checklist. | Monthly | | | 30/04/2019 | Finance and Administration Officer | In Progress | ✗ | ✗ | N/A | Grant Register template to be re-developed using new financial system capabilities. SFO position currently vacant- no further progress |
| Apr-19 | Publish Complaints Policy and Procedure on Council's website | | | | 30/04/2019 | Finance and Administration Officer | In Progress | ✗ | ✗ | N/A | New Policy Adopted, procedures to be prepared inline with policy. To be published on the Shire's website once completed. Register of Policies published on website. |
| Apr-19 | Review Risk Management Plan | Annual | | | 30/04/2019 | Chief Executive Officer | not commenced | ✗ | ✗ | N/A | To be completed in 2019-20. Timing suggestion only. No compliance breach. LGIS has been approached to assist with review |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Endorsement Required by | | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|--------|---|----------------------|-------------------------|---------|------------|--|---------------|----------------|--|----------------|--|
| | | | Audit Committee | Council | | | | | | | |
| Apr-19 | Review Risk Register and record Status updates | Quarterly | | | 30/04/2019 | Chief Executive Officer | not commenced | X | X | N/A | To be completed in 2019-20. Timing suggestion only. No compliance breach. LGIS has been approached to assist with review |
| May-19 | Strategic Community Plan - Review Review completed after community consultation, and adopted by Council, by absolute majority, at least once every 4 years Last reviewed (OCM decision date): 18/07/2013 Next Due by: 16/05/2019 | 4-yearly | | ✓ | 16/05/2019 | Chief Executive Officer | Complete | X | X | N/A | complete- Adopted 18 June 2020 |
| May | Authorised Persons - Review Review the LG's authorised persons to ensure authorisations are accurate, valid and the correct certificates of authorisation and / or identity cards have been issued. | Annual | | | 31/05/2019 | Chief Executive Officer | In Progress | X | X | N/A | Some appointments made, complete review of all appointments requirements currently pending. Timing suggestion only. No compliance breach |
| May-19 | Complete End of Month Financial Checklist. | Monthly | | | 31/05/2019 | Manager of Corporate Service | In Progress | X | X | N/A | To be removed |
| Jun-19 | Corporate Business Plan - Review (Council Workshop) Schedule a workshop with Council Members and Executive staff to review options and priorities (including the Capital Works Plan) and to finalise the Corporate Business Plan for recommendation to Council. | Annual | | | 6/06/2019 | Chief Executive officer | In Progress | X | X | 7/05/2020 | Pending finalisation of CSP. Commenced the development of the CBP based on the draft CSP. Workshop held with Council. To be completed |
| Jun-19 | Business Continuity Plan - Review Review the Business Continuity Plan to ensure it remains functional and is tested against current operational requirements. | Biennial | ✓ | ✓ | 20/06/2019 | Chief Executive Officer | In Progress | X | X | N/A | To be developed, in conjunction with Risk management plan. Suggested timing only. No Compliance breach. LGIS has been approached to assist with development of the plan |
| Jun-19 | Corporate Business Plan - Review (Council Adoption) Council to adopt by absolute majority. Amended Corporate Business Plan informs the preparation of the budget. | Annual | | ✓ | 20/06/2019 | Chief Executive Officer | Not Commenced | X | X | N/A | Pending finalisation of CSP |
| Jun-19 | Decision Objection and Review Rights - Internal Audit Review the LG's template permits, licences, notices and approval letters issued under the Act and Local Laws to ensure they include advice to the recipient of their objection and review rights. | Annual | | | 30/06/2019 | Chief Executive officer | Not commenced | X | X | N/A | Pending. Suggested timing only. No compliance breach. No evidence that this been required in the past, therefore, therefore considered low priority |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Audit Committee | Council | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|--------------------------------|--|----------------------|-----------------|---------|------------|--|---------------|----------------|--|----------------|--|
| Jun-19 | Public Access to Information - Audit Check LG website, Library and LG office to ensure all information listed in s.5.94 and Admin. Reg.29 is publicly accessible (see s.5.96 too) and that customer service staff are trained to provide access accordingly. Audit to note limitations: s.5.95 and Admin. Regs. 29A and 29B | Annual | | | 30/06/2019 | Finance and Administration Officer | Complete | ✘ | ✘ | N/A | Pending. Suggested timing only. No compliance breach. To be completed in conjunction with development of new website. Governance Executive Officer reviewed and updated the audit list August 2020 |
| Jun-19 | Tender Register - Internal Audit Review Register for compliance with F&G.Reg.17 and ensure the Register accurately and completely records all tenders. This is to include checklists, risk assessments, templates etc. and incorporate the items included in the AMD recommendations. | Annual | | | 30/06/2019 | Chief Executive Officer | Complete | ✘ | ✘ | N/A | COMPLETE SEPT 2020 |
| Jun-19 | Complete End of Month Financial Checklist. | Monthly | | | 31/05/2019 | Manager of Corporate Service | In Progress | ✘ | ✘ | N/A | To be removed |
| Jul-19 | Organisational Structure - Review Following each major review of the Community Strategic Plan and the consequential review of the Corporate Business and Workforce Plans, undertake a review of the Organisational Structure to ensure alignment for achieving Council's objectives Due 18/07/2019 | 4-yearly | | ✓ | 18/07/2019 | Chief Executive Officer | not commenced | ✘ | ✘ | N/A | To be completed once SCP, CBP has been completed. Suggested timing only. No Compliance breach |
| Jul-19 | Workforce Plan - Review Update the Workforce Plan to include outcomes of Corporate Business Plan Review and report, with recommendations to Council | Annual | | ✓ | 18/07/2019 | Chief Executive officer | not commenced | ✘ | ✘ | N/A | To be completed once SCP, CBP has been completed. Suggested timing only. No Compliance breach |
| Jul-19 | CEO Setting of KPI's - Schedule Council Meeting/s to undertake the CEO's KPI's in accordance with the CEO's contract | Annual | | | 23/07/2019 | Chief Executive Officer | Not Commenced | ✘ | ✘ | N/A | Pending the adoption of SCP & CBP to align priorities. CEO review completed. KPI are not yet set. CEO has been on extended leave. CEO resigned August 2020. Currently Recruiting. |
| Jul-19 | Complete End of Month Financial Checklist. | Monthly | | | 31/07/2019 | Manager of Corporate Service | In Progress | ✘ | ✘ | N/A | To be removed |
| August - Take Action | | | | | | | | | | | |
| Aug-19 | Complete End of Month Financial Checklist. | Monthly | | | 30/08/2019 | Manager of Corporate Service | In Progress | ✘ | ✘ | N/A | To be removed |
| September - Take Action | | | | | | | | | | | |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Audit Committee | Council | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|-------------------------------|---|----------------------|-----------------|---------|------------|--|---------------------|----------------|--|----------------|---|
| Sep-19 | Complete End of Month Financial Checklist. | Monthly | | | 30/09/2019 | Manager of Corporate Service | In Progress | X | X | N/A | To be removed |
| October - Take Action | | | | | | | | | | | |
| Oct-19 | Review Risk Register and record Status updates | Quarterly | | | 31/10/2019 | chief Executive officer | Not commenced | X | X | N/A | Pending Review of Risk Management Plan |
| Oct-19 | Complete End of Month Financial Checklist. | Monthly | | | 30/10/2019 | Manager of Corporate Service | In Progress | X | X | N/A | To be removed |
| November - Take Action | | | | | | | | | | | |
| Nov-19 | Payroll/ Staff/ HR Policies- to be reviewed/ amd or Developed. | Annual | | ✓ | 21/11/2019 | Chief Executive Officer | Timing -rescheduled | X | X | N/A | Review scheduled for March 2020, Being 12 months since previous review |
| Nov-19 | Elected Member Protocols for Access to the Administration - Review Reminder advice to Elected Members and employees regarding the CEO approved protocols for Elected Members requests for information and contact with employees | Annual | | | 30/11/2019 | Chief Executive Officer | Not commenced | X | X | N/A | |
| Nov-19 | Information Statement LG must publish an up-to-date <i>Information Statement</i> , reviewed within every 12-months Last completed: August 2020 Due by: 30/08/2021 | Annual | | | 30/11/2019 | Chief Executive officer | Complete | X | X | N/A | Complete |
| Nov-19 | Information Statement & Internal Manuals - Publicly Available LG must cause copies of the most up-to-date Information Statement and internal manuals to be made available for public inspection (deleting any exempt matter from those copies. | Annual | | | 30/11/2019 | Governance Executive Officer | complete | X | X | N/A | Complete- FOI on website |
| Nov-19 | Elected Member Induction - Provide an induction for newly elected Councillors. | Biennial | | | 30/11/2019 | Chief Executive Officer | complete | X | X | N/A | Acting CEO signed off and folders distributed |
| Nov-19 | Complete End of Month Financial Checklist. | Monthly | | | 30/11/2019 | Administration and Finance Officer | In Progress | X | X | N/A | To be removed |
| December - Take Action | | | | | | | | | | | |
| Dec-19 | Asset Management Plan - Review Update the Asset Management Plan to include outcomes of the Corporate Business Plan Review and report with recommendations to Council | Annual | | | 19/12/2019 | Chief Executive officer | not commenced | X | X | N/A | Pending completion of other IPR documents and plans |
| Dec-19 | Long Term Financial Plan - Review Update the Local Term Financial Plan to include outcomes of Corporate Business Plan Review and report with recommendations to Council | Annual | | ✓ | 19/12/2019 | Chief Executive officer | In Progress | X | X | N/A | Pending completion of other IPR documents and plans. CSP & CBP outcomes and actions are being costed and the development of the LTFP is currently underway |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Endorsement Required by | | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|-------------------------------|--|----------------------|-------------------------|---------|------------|--|---------------|----------------|--|----------------|---|
| | | | Audit Committee | Council | | | | | | | |
| Dec-19 | Elections - Destruction of Election Papers - parcels which are more than 4 years old may be destroyed, supervised by CEO and witnessed by at least 2 employees OR to secure paper destruction company | Biennial | | | 31/12/2019 | Chief Executive Officer | Not commenced | X | X | N/A | To be completed as part of records archiving process - currently pending |
| Dec-19 | IT Disaster Recovery Plan testing. | Biennial | | | 24/12/2019 | Manager Corporate Services | Not commenced | X | X | N/A | MCS to contact PCS to discuss testing |
| Dec-19 | Master Compliance Calendar - Review Review the Master Compliance Calendar content and consult with the LGs CEO, Executive and key employees to identify any additional Compliance Actions for inclusion in the next year's Master Compliance Calendar. | Annual | | | 31/12/2019 | Governance Executive Officer | In Progress | X | X | N/A | Items have been transferred to SynergySoft Compliance Calendar, Experienced some set up issues, which caused delays, Process and procedures to be developed. Process and procedure pending CEO review. FMR and REG 17 actions removed August 2020. |
| Dec-19 | Complete End of Month Financial Checklist. | Monthly | | | 30/12/2019 | Manager of Corporate Service | In Progress | X | X | N/A | To be removed |
| January - Take Action | | | | | | | | | | | |
| Jan-20 | Disability Access and Inclusion Plan to be made available Internal Audit LG must publish the DAIP on request in electronic format, hard copy in standard and large print, on request by email and on the website | Biennial | | | 31/01/2020 | Administration and Finance Officer | COMPLETE | X | X | Feb-20 | DAIP Reviewed and presented to Council feb 2020. COMPLETE |
| Jan-20 | Complete End of Month Financial Checklist. | Monthly | | | 31/01/2020 | Manager of Corporate Service | Pending | X | X | N/A | To be removed |
| February - Take Action | | | | | | | | | | | |
| Feb-20 | Complete End of Month Financial Checklist. | Monthly | | | 28/02/2020 | Manager of Corporate Service | For Review | X | X | N/A | To be Removed |
| March - Take Action | | | | | | | | | | | |
| Mar-20 | Policy Manual - Review Undertake a review of all Council Policies and provide report / reports to Council to, as necessary; amend policies or delete redundant policies | Annual | | ✓ | 15/03/2020 | Chief Executive Officer | In Progress | X | X | N/A | Review scheduled for March, Being 12 months since previous review. Purchasing Policy reviewed and presented at 20 August OMC. |
| Mar-20 | Elected Member Training / Professional Development Policy - Review Review Council Policy to ensure Elected Member protocols for applying for and accessing professional development are in place and that budgets are sufficient | Annual | | ✓ | 15/03/2020 | Chief Executive Officer | Pending | X | X | | To be completed in conjunction with annual policy manual review |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Endorsement Required by | | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|----------------------------|---|----------------------|-------------------------|---------|------------|--|-------------|----------------|--|----------------|--|
| | | | Audit Committee | Council | | | | | | | |
| Mar-20 | Communication devices policy Review the current policies relating to the use of communication devices and develop a policy/policies which sets out the accepted and approved usage of communication devices by staff and elected members, including iPads, email and mobile telephones. | Annual | | ✓ | 15/03/2020 | Chief Executive Officer | Pending | ✗ | ✗ | | To be completed in conjunction with annual policy manual review |
| Mar-20 | Social Media Policy Consider developing a policy on the use of social media by staff and elected members | Annual | | ✓ | 15/03/2020 | Chief Executive Officer | Pending | ✗ | ✗ | | To be completed in conjunction with annual policy manual review |
| Mar-20 | Policy Review - Payments to Employees Additional to Contract or Award Includes benefits and payments additional to EBA or Contract conditions i.e. gym memberships, gifts in recognition of length of service or gifts on retirement or resignation. Does not include payments for redundancy or termination which are legislated or subject to contractual arrangements. | Biennial | | ✓ | 15/03/2020 | Chief Executive Officer | Pending | ✗ | ✗ | N/A | To be completed in conjunction with annual policy manual review |
| Mar-20 | Policy Review - Code of Conduct Following each Election - provide Council report to enable the 'new' Council to review and adopt the Code of Conduct. | Biennial | | ✓ | 15/03/2020 | Chief Executive Officer | Pending | ✗ | ✗ | N/A | To be completed in conjunction with annual policy manual review |
| Mar-20 | Designated Employees - Review status of employees who have been nominated as Designated Employees but who are not delegated authority and are not members of a Council Committee. | Annual | | | 31/03/2020 | Chief Executive Officer | Pending | ✗ | ✗ | N/A | |
| Mar-20 | Public Interest Disclosure Officer - Internal Audit - CEO must appoint a specified position with the authority as the person responsible for receiving public interest disclosures. PID Officer Declaration Form must be completed and provided to the PSC Commissioner | Annual | | | 31/03/2020 | Governance Executive Officer | Complete | ✗ | ✗ | N/A | Complete |
| Mar-20 | Approved Gates across Public Thoroughfares Register - Internal Audit Review Register for compliance with ULP.Reg.9 and ensure Register accurately records all gates and other devices approved across public thoroughfares. | Annual | | | 31/03/2020 | Manager of Works | Complete | ✗ | ✗ | N/A | COMPLETE - no gates |
| Mar-20 | Complete End of Month Financial Checklist. | Monthly | | | 31/03/2020 | Manager of Corporate Service | For Review | ✗ | ✗ | N/A | To be removed |
| April - Take Action | | | | | | | | | | | |
| Apr-20 | Review and Reconcile Grant Register. Status Updates required for each monthly Financial Checklist. | Monthly | | | 30/04/2020 | Finance and Administration Officer | In Progress | ✗ | ✗ | | |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Endorsement Required by | | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|---------------------------|---|----------------------|-------------------------|---------|------------|--|---------------------|----------------|--|----------------|---|
| | | | Audit Committee | Council | | | | | | | |
| Apr-20 | Elections - Enrolment Eligibility Claims (Owners and Occupiers) Register - Prepare for Elections - Review register and take action re expired Eligibility Claims (no longer property owner / claim based on occupation or nominee expired) | Biannual (Apr & Nov) | | | 30/04/2020 | Chief Executive Officer | Pending | X | X | N/A | |
| Apr-20 | Review Risk Register and record Status updates | Quarterly | | | 30/04/2020 | Chief Executive Officer | Pending | X | X | N/A | |
| Apr-20 | Complete End of Month Financial Checklist. | Monthly | | | 30/04/2020 | Manager of Corporate Service | Pending | X | X | N/A | To be removed |
| May - Take Action | | | | | | | | | | | |
| May-20 | Rate Exempted Properties - Review In preparation for next financial year, review previously approved rate exempt properties to determine if the basis of exemption remains unchanged. Advise owners where status is changed or approval has expired. | Annual | | ✓ | 31/05/2020 | Manager of Corporate Services | Pending | ✓ | X | N/A | Review has been conducted. 3 Properties identified in 2019. Previous application documentation has yet to be located. |
| May-20 | Authorised Persons - Review Review the LG's authorised persons to ensure authorisations are accurate, valid and the correct certificates of authorisation and / or identity cards have been issued. | Annual | | | #N/A | Chief Executive Officer | Pending | X | X | N/A | |
| May-20 | Complete End of Month Financial Checklist. | Monthly | | | 31/05/2020 | Manager of Corporate Service | In Progress | X | X | N/A | To be removed |
| June - Take Action | | | | | | | | | | | |
| Jun-20 | Corporate Business Plan - Review (Council Workshop) Schedule a workshop with Council Members and Executive staff to review options and priorities (including the Capital Works Plan) and to finalise the Corporate Business Plan for recommendation to Council. | Annual | | | 6/06/2020 | Chief Executive officer | Timing -rescheduled | X | X | N/A | Pending finalisation of CSP |
| Jun-20 | Business Continuity Plan - Review Review the Business Continuity Plan to ensure it remains functional and is tested against current operational requirements. | Biennial | ✓ | ✓ | 30/06/2020 | Chief Executive Officer | In Progress | X | X | N/A | To be developed, in conjunction with Risk management plan. Suggested timing only. No Compliance breach. LGIS has been approached to assist with development of the plan |
| Jun-20 | Corporate Business Plan - Review (Council Adoption) Council to adopt by absolute majority. Amended Corporate Business Plan informs the preparation of the budget. | Annual | | ✓ | 30/06/2020 | Chief Executive Officer | Pending | X | X | N/A | Pending finalisation of CSP |
| Jun-20 | Decision Objection and Review Rights - Internal Audit Review the LG's template permits, licences, notices and approval letters issued under the Act and Local Laws to ensure they include advice to the recipient of their objection and review rights. | Annual | | | 30/06/2020 | Chief Executive officer | Not commenced | X | X | N/A | Pending. Suggested timing only. No compliance breach. No evidence that this been required in the past, therefore, therefore considered low priority |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Audit Committee | Council | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|-----------------------------|--|----------------------|-----------------|---------|------------|--|------------------------------|----------------|--|----------------|---|
| Jun-20 | Public Access to Information - Audit Check LG website, Library and LG office to ensure all information listed in s.5.94 and Admin. Reg.29 is publicly accessible (see s.5.96 too) and that customer service staff are trained to provide access accordingly. Audit to note limitations: s.5.95 and Admin. Regs. 29A and 29B | Annual | | | 30/06/2020 | Governance Executive Officer | Complete | ✗ | ✗ | N/A | To be reviewed in conjunction with development of new website |
| Jun-20 | Tender Register - Internal Audit Review Register for compliance with F&G.Reg.17 and ensure the Register accurately and completely records all tenders. This is to include checklists, risk assessments, templates etc. and incorporate the items included in the AMD recommendations. | Annual | | | 30/06/2020 | Chief Executive Officer | Not commenced | ✗ | ✗ | N/A | |
| Jun-20 | Complete End of Month Financial Checklist. | Monthly | | | 31/05/2020 | Manager of Corporate Service | In Progress | ✗ | ✗ | N/A | to be removed |
| Jul-20 | Organisational Structure - Review Following each major review of the Community Strategic Plan and the consequential review of the Corporate Business and Workforce Plans, undertake a review of the Organisational Structure to ensure alignment for achieving Council's objectives Due 18/07/2019 | 4-yearly | | ✓ | 18/07/2020 | Chief Executive Officer | Timing -rescheduled | ✗ | ✗ | N/A | To be completed once SCP, CBP has been completed. Suggested timing only. No Compliance breach |
| Jul-20 | Workforce Plan - Review Update the Workforce Plan to include outcomes of Corporate Business Plan Review and report, with recommendations to Council | Annual | | ✓ | 31/07/2020 | Chief Executive officer | Timing -rescheduled | ✗ | ✗ | N/A | To be completed once SCP, CBP has been completed. Suggested timing only. No Compliance breach |
| Jul-20 | Complete End of Month Financial Checklist. | Monthly | | | 31/07/2020 | Manager of Corporate Service | In Progress | ✗ | ✗ | N/A | to be removed |
| August - Take Action | | | | | | | | | | | |
| Aug-20 | Annual Budget - Website Publish the Annual Budget on the LG website. | Annual | | | 15/08/2020 | Administration and Finance Officer | Complete - no further action | ✓ | ✗ | 13/08/2020 | COMPLETED |
| Aug-20 | Compliance Calendar - Internal Audit Review level of compliance achieved in response to Compliance Calendar Actions. Option: Report Audit Outcomes / Actions to Audit Committee | Quarterly | ✓ | | 15/08/2020 | Governance Executive Officer | Complete - no further action | ✓ | ✗ | 15/08/2020 | COMPLETED |
| Aug-20 | Monthly Financial Report LG is to prepare each month a statement of financial activity reporting on the revenue and expenditure as set out in the annual budget under FM.Reg.22(1)(d). Presented at an Ordinary Council meeting within 2-months after the end of the month to which the statement relates. | Monthly | | ✓ | 17/09/2020 | Manager of Corporate Services | Complete - no further action | ✓ | ✗ | 17/09/2020 | COMPLETED |

Endorsement
Required by

| | Compliance Action | Compliance Frequency | Audit Committee | Council | Due Date | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|--------------------------------|--|----------------------|-----------------|---------|------------|--|------------------------------|----------------|--|----------------|--|
| Aug-20 | Elections - Statewide Public Notice Enrolment Eligibility Claims - CEO to give notice of the closing date and time for elector enrolments. (to be given 70th to 56th days) 10/08/2021 to 24/08/2021 | Biennial | | | 24/08/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Aug-20 | Elections - DUE NOW for CEO to advise Electoral Commissioner of the need to prepare an updated residents roll 24/08/2021 | Biennial | | | 24/08/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Aug-20 | Elections - Statewide Public Notice Call for Nominations - from 56 days and no later than 45th day before Election Day. 24/08/2021 to 04/09/2021 | Biennial | | | 24/08/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Aug-20 | Elections - Close of Rolls at 5pm on 30/08/2021 . Enrolment eligibility claims received by 5pm can continue to be processed with a decision on eligibility required by | Biennial | | | 30/08/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Aug-20 | Annual Budget - Copy of Annual Budget as adopted to DLGSCI Executive Director within 30 days of the Budget adoption, plus a copy of the Council Report / Minutes relevant to the budget adoption. | Annual | | | 30/08/2020 | Manager of Corporate Services | Complete - no further action | ✓ | ✗ | 13/09/2020 | COMPLETED |
| Aug-20 | Annual Returns - Elected Members and Designated Employees to provide an Annual Return by no later than 31 August CEO's Annual Return must be lodged with the President / Mayor. | Annual | | | 31/08/2020 | Governance Executive Officer | Complete - no further action | ✓ | ✗ | 31/08/2020 | COMPLETED |
| Aug-20 | Elected Members - Review Meeting Attendance Register - check EMs have not been absent for 3 consecutive meetings without Leave of Absence being granted - refer concerns to the CEO | Quarterly | | | 31/08/2020 | Governance Executive Officer | Complete - no further action | ✓ | ✗ | 31/08/2020 | COMPLETED |
| Aug-20 | Elections - Candidate Information Session Coordinate and promote a candidate information session - consider participation in WALGA Webinars. | Biennial | | | 30/08/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Aug-20 | Complete End of Month Financial Checklist. | Monthly | | | 30/08/2019 | Manager of Corporate Service | In Progress | ✗ | ✗ | N/A | to be removed |
| September - Take Action | | | | | | | | | | | |
| Sep-20 | Elections - Statewide Public Notice Call for Nominations - no later than 45th day before Election Day - Due By: 04/09/2021 | Biennial | | | 4/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 | Elections - Nominations Open 05/09/2021 - First day for candidates to lodge completed nomination papers with the returning officer. Nominations are open for eight days | Biennial | | | 5/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 | Elections - Nominations Close at 4pm By: 12/09/2021 | Biennial | | | 12/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 | Elections - Residents Roll to be prepared by Electoral Commissioner Due By: 13/09/2021 | Biennial | | | 13/09/2021 | Electoral Commissioner | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 | Elections - Owners and Occupiers Roll to be prepared and certified by CEO Due By: 13/09/2021 | Biennial | | | 13/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |

Endorsement
Required by

| Compliance Action | Compliance Frequency | Endorsement Required by | | | Position Title Officer Responsible for Action Compliance | Status | Compliance Met | Notice of reportable compliance breach | Date Completed | Comments. If Action not completed, report on plan to rectify non-compliance |
|--|----------------------|-------------------------|---------|------------|--|------------------------------|----------------|--|----------------|--|
| | | Audit Committee | Council | Due Date | | | | | | |
| Sep-20 Monthly Financial Report LG is to prepare each month a statement of financial activity reporting on the revenue and expenditure as set out in the annual budget under FM.Reg.22(1)(d). Presented at an Ordinary Council meeting within 2-months after the end of the month to which the statement relates. | Monthly | | ✓ | 17/09/2020 | Manager of Corporate Services | Complete - no further action | ✓ | ✗ | 17/09/2020 | COMPLETED |
| Sep-20 Elections - Candidate / Donor Gift Disclosures - CEO written advice to Candidates of Elections Gift Disclosure obligations. | Biennial | | | 20/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 Elections - Consolidated Roll (Resident / Owners and Occupiers) at Returning Officer's discretion, to be completed by (22nd day before Election Day) Due By: 27/09/2021 | Biennial | | | 27/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 Primary Returns - Request Primary Return from any new employee who is a Designated Employee. Return must be received by CEO within 3 months of the person's start day | Bi-monthly | | | 30/09/2020 | Governance Executive Officer | In Progress | | ✗ | | Recruitment in progress |
| Sep-20 Financial Interests Register - Review Review register to remove Primary and Annual Returns (not other interest disclosures) from the Financial Interest Register that relate to persons who are no longer Designated Employees (resigned or changed roles) or for Elected Members who have resigned. Returns that are removed are to be kept by the CEO as LG Record for at least 5 years after the person ceased to be a Designated Employee. | Bi-monthly | | | 30/09/2020 | Governance Executive Officer | Complete - no further action | ✓ | ✗ | 30/09/2020 | COMPLETED |
| Sep-20 Annual Financial Report - Prepare and submit to the Auditor. Content of Annual Report to comply with FM.Reg.36(2). Due: 30 September 2020 | Annual | | | 30/09/2020 | Manager of Corporate Services | In Progress | ✓ | ✗ | | Annual Financial Report was submitted to Auditors on 15/09/2020 |
| Sep-20 Elections - Statewide Public Notice of Election Day by Returning Officer - between 36th and 19th day before Election Day - 13/09/2021 to 30/09/2021 | Biennial | | | 30/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - no action required |
| Sep-20 Elections - Supply of Rolls - CEO to provide Returning Officer with sufficient rolls and copies to be provided free of charge to candidates and Elected Members who ask | Biennial | | | 30/09/2021 | Chief Executive Officer | Completed - not required | ✓ | ✗ | N/A | No Election held - not action required |
| Sep-20 Complete End of Month Financial Checklist. | Monthly | | | 30/09/2020 | Manager of Corporate Service | In Progress | ✗ | ✗ | N/A | remove this item |





Compliance Audit Return Management Action Plan

Status Report – as at 9 October 2020.

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|----------|---|--|--|
| Disposal of Property | | | | |
| Was Local Public Notice given prior to disposal for any property not disposed by public auction or tender (except where excluded by Section 3.58(5)) | No | Disposal of Grader (value \$118k) was not disposed of by tender or auction and no local public notice of disposal completed | <p>Tendering Framework was raised in the Shire's Regulation 17 review. Management Actions to address the Shire's Tendering Frameworks are;</p> <ul style="list-style-type: none"> • Staff Training • Physical Tender Register to be developed <p>Tendering Framework and procedures to be developed, including checklists, risk assessments, templates etc, incorporating items included in the AMD recommendations</p> | <p>Pending Staff Training was scheduled for April. Unable to attend due to other commitments. Staff to attend upcoming training, obtaining information for the development of framework and procedures to meet best practice.</p> <p>Tender register Reviewed and completed</p> |

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|----------|---|--|--|
| Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property. | No | Disposal of Grader (value \$118k) was not disposed of by tender or auction and no local public notice of disposal completed | As above | As Above |
| Integrated Planning and Reporting | | | | |
| Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond | Yes | Last Corporate Business Plan was adopted in Sept 2015. Review of the Shire's Corporate Business Plan to be conducted by June 2019 | Review of Corporate Business Plan has been identified. Review anticipated to be conducted by June 2019 | In Progress Consultant has been appointed. Community Engagement maybe deferred to after seeding to ensure maximum participation. As a result, the CBP development will occur later than anticipated CBP action has been developed based on Draft SCP. To be finalised |

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|------------|--|--|---|
| <p>Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.</p> | <p>No</p> | <p>Last Corporate Business Plan was adopted in Sept 2015. Review of the Shire's Corporate Business Plan to be conducted by June 2019</p> | <p>Review of Corporate Business Plan has been identified. Review anticipated to be conducted by June 2019</p> | <p>As Above</p> |
| <p>Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.</p> | <p>Yes</p> | <p>SCP adopted July 2013. Review of framework June 2017. Complete review and development of SCP to be conducted by June 2019</p> | <p>Review of Strategic Community Plan has been identified. Review anticipated to be conducted by June 2019</p> | <p>COMPLETED ADOPTED MAY 2020</p> |

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|------------|--|--|---|
| <p>Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.</p> | <p>Yes</p> | <p>Framework was reviewed in June 2017. Framework reviewed 2020</p> | <p>Review of Strategic Community Plan has been identified. Review anticipated to be conducted by June 2019</p> | <p>COMPLETED ADOPTED MAY 2020</p> |
| <p>Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.</p> | <p>No</p> | <p>Development of an Asset Management Plan to be conducted in the next 12 months</p> | <p>Development of an Asset Management Plan to be conducted in the next 12 months</p> | <p>Not Commenced. Anticipated for development in 2019/20 on completion of SCP & CBP. LG Professionals designing template. ZOOM meeting planned for November 2020 to discuss further</p> |

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|-----------|--|--|---|
| <p>Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.</p> | <p>No</p> | <p>Development of a Long Term Financial Plan to be conducted in the next 12 months</p> | <p>Development of a Long Term Financial Plan to be conducted in the next 12 months</p> | <p>Development of LTFP has commenced, based on DRAFT SCP and CBP actions. To be presented to Council to workshop.</p> <p>LTF Plan will be developed pending the provision of LG Professionals template</p> |

| Question | Response | Comments | Comments / Action Plan | Status / Comments |
|--|----------|---|--|---|
| Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond. | Yes | Workforce plan adopted in April 2014. Review of the Workforce plan to be conducted in the next 12 months | Review of a Council's Workforce Plan to be conducted in the next 12 months | ZOOM meeting held with LG Professionals 7 October. Pending provision of LG Professionals template. |
| Tendering for Providing Goods and Services | | | | |
| Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted. | No | unable to locate a written record of such notification | Requirement to be included in the Tendering Framework review | Pending As per item 1 |





12.02.01 - 2019 to June 2020



OAG
Office of the Auditor General
Serving the Public Interest

Our Ref: 7968

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Stephen Tindale
Acting Chief Executive Officer
Shire of Wyalkatchem
PO Box 224
WYALKATCHEM WA 6485

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Fax: 08 6557 7600
Email: info@audit.wa.gov.au

Dear Mr Tindale

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

As you are aware, due to the Shire's finance staff having limited capacity, our interim audit for the year ended 30 June 2020 has been postponed. Our interim audit is now rescheduled to be conducted along with our final audit of the annual financial report in September 2020.

Management Control Issues

I would like to draw your attention to a matter that has been identified during our audit planning. This matter has been discussed with management and their comments have been included on the attachment. The matter reported is limited to the deficiency identified at the planning stage of the audit that we have concluded is of sufficient importance to merit being reported to management. The matter may be included in our auditor's report in accordance with section 7.9(2) of the *Local Government Act 1995* or regulation 10(3)(a) and (b) of the *Local Government (Audit) Regulations 1996*. If so, we will inform you before we finalise the report.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7551 if you would like to discuss these matters further.

Yours faithfully

SURAJ KARKI CA
ASSISTANT DIRECTOR
FINANCIAL AUDIT
14 August 2020

Attach

SHIRE OF WYALKATCHEM
 PERIOD OF AUDIT: 30 JUNE 2020
 ANNUAL FINANCIAL REPORT AUDIT

| INDEX OF FINDINGS | RATING | | |
|---|-------------|----------|-------|
| | Significant | Moderate | Minor |
| 1. Assessment of new accounting standards | ✓ | | |

KEY TO RATINGS

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

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.



SHIRE OF WYALKATCHEM
PERIOD OF AUDIT: 30 JUNE 2020
ANNUAL FINANCIAL REPORT AUDIT

1. Assessment of new accounting standards

Finding

Several new accounting standards, AASB 15 *Revenue from contracts with customers*, AASB 1058 *Income of not-for-profit entities and AASB 16 Leases* came into effect for the Shire on 1 July 2019 superseding previous accounting standards.

We noted the Shire has not performed a detailed assessment of leases and all revenue streams to ensure compliance with the new standards.

Rating: Significant

Implication

Non-compliance with AASB 16, AASB 15 and 1058. As a result the Shire's revenue may be overstated for the financial year and leasing commitments not accurately disclosed in the Statement of Financial Position. In addition, and as a result of the abovementioned incorrect application of standards, monthly financial information used by management may not be in accordance with current accounting standards.

Recommendation

The Shire should complete a detailed revenue recognition assessment of all revenue streams in order to conclude if a particular revenue stream or transaction arises from an enforceable contract with a customer and has sufficiently specific performance obligations. The assessment will trigger the revenue recognition requirements under AASB 15, or if it falls outside this scope, under AASB 1058.

The Shire should also measure the impact of the application of AASB 16, AASB 15 and AASB 1058 at 1 July 2019 and process appropriate adjustments in the accounts, as well as considering the required disclosures and amended accounting policies that will need to be disclosed in the 30 June 2020 financial report in advance of year-end.

Management Comment

The Shire agrees with the recommendation provided and will provide the relevant assessment of Leases and Revenues in line with the AASB and amend accounting policies by the 14th September in line with our EOY Audit timeline.

Responsible Person: Manager Corporate Services
Completion Date: 14 September 2020

SHIRE OF WYALKATCHEM

IMPACT OF CHANGES IN AUSTRALIAN ACCOUNTING STANDARDS

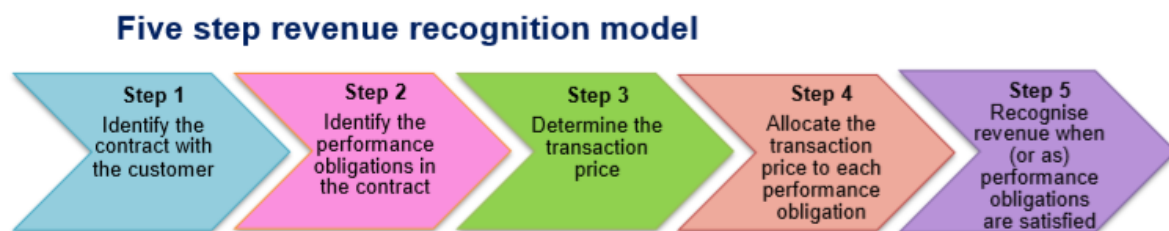
AASB 15 Revenue from Contracts with Customers

This standard replaces various AASB 118 Revenue and AASB 111 Construction Contracts standards from 1 July 2019. The new Standard requires revenue to be recognised based on a number of criteria, the most important being an alignment between the provision of the service obligation and revenue recognition, not necessarily when the revenue has been received.

The standard provides:

1. A new model for the timing of recognition of revenue
2. Revenue recognition is matched to performance obligations under the contract
3. Transactions will result in liabilities/assets (current and non-current) for incomplete contracts, grants and contributions

An entity recognises revenue by applying the following steps:



This five-step assessment tool was applied to the most common local government categories of contracts with customers being:

Membership Fees, (i.e. Gym membership)

Private Works,

Service Charges,

Maintenance Contracts,

Licences, and

Operating Grants and other funding arrangements including WANDRA.

Rates and Waste charges

It has been assessed that there are three categories above that may apply under this standard to the Shire.

1. Lifetime Dog and Cat Registrations. The Shire is responsible for the administration of Dog & Cat registrations. Owners may elect to pay annually, triennially or seek lifetime registration. The fees range from \$10 to maximum fee for a lifetime registration is \$250. The Shire has 57 active registrations where in Fy20 total revenue collected was \$1,755 for 48 registrations (average \$36 per registration).

The overall revenue collected is considered insignificant to apply performance obligations as per AASB15

2. Operating Grants and contributions. Most operating grants received are a contribution to an event, function or service provided by the Shire. In many cases these funds are provided after the event or function has been held via an acquittal to the funder. Quite often there is no reportable performance obligation when contributions are provided to assist in service delivery (i.e. ESL Administration contribution).

Most operating grants and contributions received do not have a performance obligation. When these grants and contributions do have a performance obligation, the funds received are generally immaterial to the overall operating revenue of the Shire. As such revenue recognition under this standard will be monitored and any significant amounts unspent at reporting date will be reported in accordance with the standard.

3. Rate and Waste Collection revenue are compulsory taxes levied by legislation and are not considered to be contracts with customers. As such revenue will be brought to account when levied as legislation requires payment within 35 days of levy, or by instalment as determined by the Council.

AASB 1058 Income for Not-for-Profit Entities

This Standard clarifies and simplifies the income recognition requirements for capital contributions that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are in the nature of contributions rather than contracts with customers.

1. Contributions towards fixed assets (assets controlled by the LG) to be a liability until the performance obligations are met.

The impact of this Standard is predominantly around the revenue recognition of non-operating grants and contributions for asset purchases where there is no reciprocal obligation back to the funding body and there is no goods or services being provided in exchange for the non-operating grant or contribution.

Timing of income recognition for contributions is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) or a contribution by owners related to an asset (such as cash or another asset) received by the Shire.

Contributions toward fixed assets (controlled by the LG) are to be considered a liability until the performance obligations are met. Balances in the liability account are transferred to revenue as the service obligations are met.

Prior to the introduction of this Standard, capital grants and contributions have been recognised as revenue upon receipt of the grant. Under the new Standard, Revenue should be recognised when the service obligation for which the grant has been received is executed - meaning when the contractual arrangements for the project completion are finalised.

The impact of this accounting standard creates a matching scenario being Actual grant revenue = Actual grant expenditure. The result being that at the reporting date, any unspent grants or contributed funds will be reported within a Contract Liabilities category in the

balance sheet and be excluded from revenue until they are spent and when the Shire has met its performance obligation.

Prior Annual reporting requirements disclose details of all grants and contributions with contractual obligations, the associated expenditure and balance left unspent as at 30 June. These funds have then been treated as restricted funds, for future use. The funds that were represented on that note will be reviewed and a one-off adjustment to retained surplus on 1st July 2019 for the net impact of changes will be processed. Where obligations have been met during the financial year, these will be treated as revenue. Any funds contributed in FY20 that require a performance obligation in FY20 that have not been met will be transferred to Contract Liabilities as at 30 June 2020.

In most instances Local governments spend all grants within the reporting period and many are small and require no acquittal.

Assessment

An Assessment has been made of the major grants and contributions received by Local Government from funding bodies for Asset creation or renewal.

Financial Assistance Grants

These grants are general purpose grants, and although these assist in the development of assets there is no performance obligation so there will be no change in accounting treatment - The grants will be brought to account as revenue when received - *No change to accounting treatment*

Regional Road Group Funding (RRG)

Under the RRG funding arrangements, Local governments Claim:

1st Claim - 40% of funding upfront - there is no performance obligation to claim & receive these funds - *No change to accounting treatment within the ledger, however Monthly Council report will match revenue and expenditure - see example to follow.*

2nd Claim - a further 40% when the Shire has met a minimum outlay requirement. These funds will not be released to the local government until it has met the performance obligation (i.e. demonstrated it has spent the 40% received in the 1st Claim) - *No change to accounting treatment if 3rd Claim is made, if 3rd Claim has not been made then a Contract Asset may be required*

3rd Claim - Final 20% can only be claimed when all performance obligations have been demonstrated to be met. - *No change to accounting treatment unless 3rd Claim has not been made then a Contract Asset may be required*

In most cases Local governments' complete RRG works within the Financial year they apply so it is anticipated that there will be no change to Accounting treatment of RRG funds

The impact of the Accounting standards will only apply if the Local government has not made the final Claim, where some, but not all of the final performance obligation is met. These will need to be assessed annually.

Secondary Freight Network

The Secondary Freight network is funded by Main roads in the same manner as RRG works. As such this funding will be treated as mentioned above.

Roads to Recovery (R2R)

Roads to Recovery funding is determined and directly received from the Commonwealth Government.

The funding agreement provides that a local government may, for each project in its works schedule, submit a report by 31 July 2019, which specifies the amount of Roads to Recovery payments which the funding recipient intends to spend on the project in the quarter 1 July 2019 to 30 September 2019. Once this obligation (of submitting a report) is met, the funds are transferred to the Local Governments.

Where a local government wishes to receive a Roads to Recovery payment in a particular quarter (other than the first quarter in the Roads to Recovery funding period), it must submit a quarterly report:

- (a) in respect of the quarter 1 January to 31 March: by the following 30 April.
- (b) in respect of the quarter 1 April to 30 June: by the following 31 July.
- (c) in respect of the quarter 1 July to 30 September: by the following 31 October.
- (d) in respect of the quarter 1 October to 31 December: by the following 15 February

The obligation local government has, is to complete the works by 30 June. If in any year works are not completed the local government will need to assess what funds are due to it under the R2R program as per Audited Annual R2R report and provide a contract asset for that amount with offsetting revenue.

In most local government's funds have been well spent and claimed for these projects well in advance of 30 June, so there will unlikely be any change to the treatment of R2R revenue.

OTHER PROJECT

The Shire receives ad hoc funding from various sources. Funds for these projects are often claimed in arrears therefore, there will be no change to accounting treatment as funds spent will be matched by revenue.

Practicality during the year

The actual transactional processes during the year are likely to create confusion and be difficult for some smaller local governments to manage if all grant funds are receipted to a liability account.

From a management perspective and for processing consistency funds will be receipted to revenue and be reported via a disclosure note as part of monthly reconciliation. Reporting requirements of AASB1058 in monthly reports will be adjusted via a reconciliation of grants received with an offsetting liability to recognised any unspent grants at the end of the reporting period. Any items where performance obligations are not met at 30 June will transacted in the ledger and reported in the Annual Report for compliance with AASB 1058.

An example of proposed monthly reporting follows:

Example of Monthly Reporting:

| Ref | REG 34(1)(a) | REG 34(1)(b) | REG 34(1)(c) | REG 34(1)(d) | REG 34(1)(d) | Var. |
|---|----------------|--------------------|------------------|------------------|--------------------|-------------|
| | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) | Var. % (b)-(a)/(a) | |
| Note | \$ | \$ | \$ | \$ | % | |
| Opening funding surplus / (deficit) | 1 | 1,743,002 | 1,743,002 | 1,795,701 | 52,699 | 3.02% |
| Revenue from operating activities | | | | | | |
| Rates | 9 | 1,318,571 | 0 | 0 | 0 | 0.00% |
| Operating grants, subsidies and contributions | 8 | 1,005,669 | 308,386 | 312,765 | 4,379 | 1.42% |
| Fees and charges | | 172,479 | 12,131 | 12,044 | (87) | (0.72%) |
| Interest earnings | | 20,490 | 2,940 | 2,762 | (179) | (6.07%) |
| Other revenue | | 4,050 | 8 | 6,525 | 6,517 | 81458.75% |
| Profit on disposal of assets | 6 | 25,225 | 0 | 0 | 0 | 0.00% |
| | | 2,546,484 | 323,465 | 334,095 | 10,630 | |
| Expenditure from operating activities | | | | | | |
| Employee costs | | (1,152,935) | (146,984) | (205,787) | (58,803) | (40.01%) ▼ |
| Materials and contracts | | (1,315,236) | (167,140) | (176,228) | (9,088) | (5.44%) |
| Utility charges | | (184,590) | (32,064) | (31,116) | 948 | 2.96% |
| Depreciation on non-current assets | | (1,378,678) | (229,758) | 0 | 229,758 | 100.00% ▲ |
| Interest expenses | | (10,707) | (16) | (61) | (45) | (278.75%) |
| Insurance expenses | | (142,702) | (100,364) | (100,365) | (1) | (0.00%) |
| Other expenditure | | (44,378) | (10,290) | (2,502) | 7,788 | 75.68% |
| Loss on disposal of assets | 6 | (9,883) | 0 | 0 | 0 | 0.00% |
| | | (4,239,109) | (686,616) | (516,059) | 170,557 | |
| Non-cash amounts excluded from operating activities | | | | | | |
| Less: Profit on asset disposals | 6 | (25,225) | 0 | 0 | 0 | 0.00% |
| Add: Loss on disposal of assets | 6 | 9,883 | 0 | 0 | 0 | 0.00% |
| Add: Depreciation on assets | | 1,378,678 | 229,758 | 0 | (229,758) | (100.00%) ▼ |
| Amount attributable to operating activities | | (329,289) | (133,393) | (181,964) | (48,571) | |
| Investing activities | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 7 | 1,741,818 | 94,699 | 108,221 | 13,522 | 14.28% ▲ |
| Less UnSpent Non-Operating Grants (Contract Liabilities) | 7 | 0 | 0 | (59,634) | | |
| Net Non-Operating Grants | 7 | 1,741,818 | 94,699 | 48,587 | | |
| Proceeds from disposal of assets | 6 | 94,000 | 0 | 0 | 0 | 0.00% |
| Payments for property, plant and equipment and infrastructure | 5 | (3,025,451) | (145,911) | (175,514) | (29,603) | (20.29%) ▼ |
| Amount attributable to investing activities | | (1,189,633) | (51,212) | (126,927) | (75,715) | |
| Financing Activities | | | | | | |
| Payments for principal portion of lease liabilities | | (3,368) | 0 | 0 | 0 | 0.00% |
| Repayment of debentures | 12 | (44,821) | (11,619) | (11,619) | 0 | 0.00% |
| Transfer to reserves | 4 | (175,891) | (1,791) | (1,791) | 0 | 0.00% |
| Amount attributable to financing activities | | (224,080) | (13,410) | (13,410) | 0 | |
| Closing funding surplus /(deficit) REG 34(1)(e) | 1 | 0 | 1,544,987 | 1,473,400 | (71,587) | |

Non-operating grants, subsidies and contributions revenue

| | Type | Provider | Adopted Budget | YTD | YTD Revenue | YTD Expense | Unspent Grants |
|---|------|-------------------------|------------------|---------------|----------------|----------------|--------------------|
| | | | Revenue | Budget | Actual | Actual | Contract Liability |
| | | | \$ | \$ | \$ | \$ | \$ |
| Non-operating grants and subsidies | | | | | | | |
| Governance | | | | | | | |
| GEN PUR - Other Grants | Tied | LGRIC | 320,734 | 0 | 0 | 0 | 0 |
| Community amenities | | | | | | | |
| STORM - Grants | Tied | State | 200,000 | 0 | 0 | 0 | 0 |
| COM AMEN - Other Cemetery Income | Tied | Friends of the Cemetery | 4,000 | 0 | 0 | 0 | 0 |
| Recreation and culture | | | | | | | |
| REC - Non- Operating Contributions | Tied | Tennis Club | 107,000 | 0 | 0 | 0 | 0 |
| REC - Grants | Tied | Tennis Aust/CSRFF | 294,347 | 48,587 | 48,587 | 175,202 | 0 |
| Transport | | | | | | | |
| ROADC - Regional Road Group Grants (MRWA) | Tied | Main Roads WA | 390,737 | 46,112 | 46,112 | 0 | 46,112 |
| ROADC - Roads to Recovery Grant | Tied | DIAP - Commonwealth | 425,000 | 0 | 13,522 | 0 | 13,522 |
| | | | 1,741,818 | 94,699 | 108,221 | 175,202 | 59,634 |

Statement of Financial Activity

| | Notes | Last Years Actual Closing | Adopted Budget | This time 2 months ago | This time last month | YTD Actual (b) |
|---|-------|---------------------------|--------------------|------------------------|----------------------|--------------------|
| | | 30/6/2020 | | 30/06/2020 | 31/07/2020 | 31/08/2020 |
| | | \$ | \$ | \$ | \$ | \$ |
| Net current assets used in the Statement of Financial Activity | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 3 | 1,895,387 | 1,888,758 | 1,895,387 | 1,573,950 | 1,478,611 |
| Cash backed Reserves | | 2,420,620 | 2,418,761 | 2,420,620 | 2,420,620 | 2,422,410 |
| Rates receivables | 10 | 46,860 | 46,860 | 46,860 | 40,754 | 37,031 |
| Receivables | 10 | 89,365 | 101,995 | 89,365 | 85,354 | 88,716 |
| Inventories | | 3,626 | 3,626 | 3,626 | (4,694) | 106 |
| Total Current assets | | 4,472,600 | 4,460,000 | 4,455,857 | 4,115,982 | 4,026,874 |
| Less: Current liabilities | | | | | | |
| Payables | | (141,449) | (134,821) | (141,449) | (102,291) | (5,186) |
| Contract liabilities | 7 | (48,587) | (48,587) | (48,587) | 0 | (59,634) |
| Borrowings | 12 | (44,822) | (44,822) | (44,822) | (44,822) | (33,203) |
| Lease liabilities | 13 | (3,368) | (3,368) | (3,368) | (3,368) | (3,368) |
| Employee Provisions | | (114,830) | (114,830) | (114,829) | (114,829) | (114,830) |
| Total Current liabilities | | (353,056) | (346,428) | (353,054) | (265,310) | (216,221) |
| Net Currents Assets | | 4,119,544 | 4,113,572 | 4,102,802 | 3,850,672 | 3,810,653 |
| Less: Adjustments to net current assets | | | | | | |
| Less: Reserves - restricted cash | 4 | (2,420,620) | (2,418,761) | (2,420,620) | (2,418,761) | (2,422,410) |
| Add: Contract liabilities (Grants received but not spent) | 7 | 48,587 | 0 | 48,587 | 0 | 59,634 |
| Add: Movement in Contract Liabilities | | 0 | 0 | 0 | 0 | (11,047) |
| Add: Borrowings included in Budget | 12 | 44,822 | 44,823 | 44,822 | 44,822 | 33,203 |
| Add: Lease liabilities included in Budget | 13 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 |
| Total adjustments to net current assets | | (2,323,843) | (2,370,570) | (2,323,843) | (2,370,572) | (2,337,253) |
| Closing funding surplus / (deficit) (NET CURRENT ASSETS) | | 1,795,701 | 1,743,002 | 1,778,960 | 1,480,101 | 1,473,400 |

CURRENT AND NON-CURRENT CLASSIFICATION

2. Rates in advance to be a liability until the rates are struck

Recognition of Prepaid rates in accordance with AASB9 required that all paid rates be recorded in the period when the cash was received.

The recognition of Pre-paid rates has been inconsistent within the industry with some local governments recognising prepaid rates as revenue as per AASB9, and others providing a financial liability for prepaid rates in the balance sheet. These differences arose due to varying audit opinions generally due the materiality of the amounts involved.

The impact of this Standard requires that Pre-paid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Pre-paid rates therefore will be recognised as a financial liability with no income recognition by the local government until the year they apply.

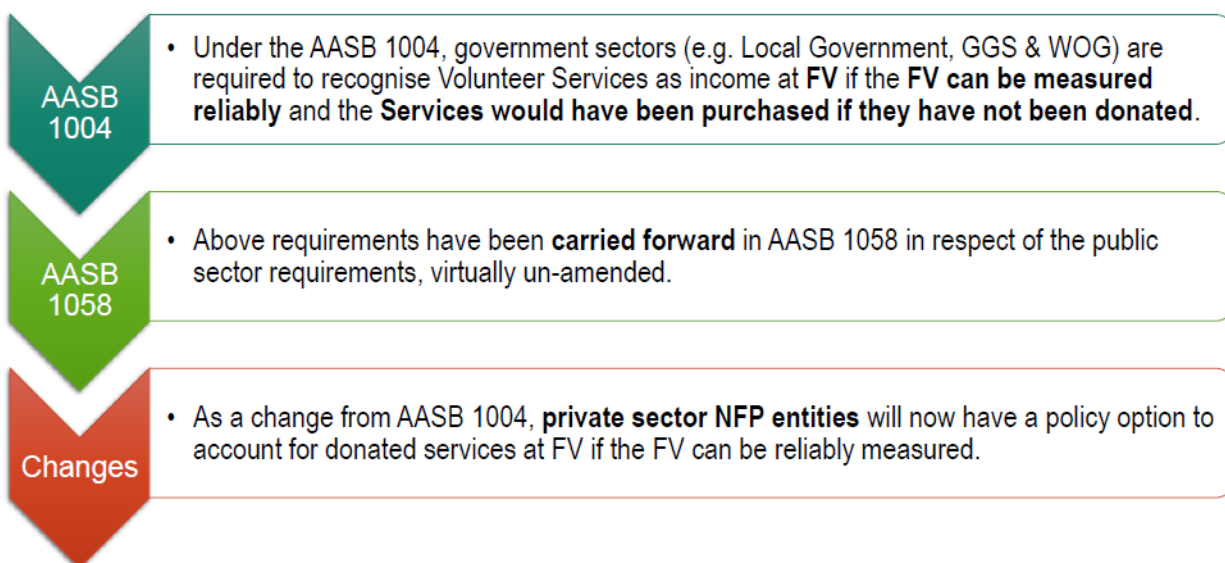
The Shire of Wyalkatchem did not bring rates revenue to account as per AASB9 in 2019 and has reported any on hand as a Financial Liability therefore no change in accounting treatment is required.

3. Financially beneficial volunteer contribution to be recognised as revenue

What are Volunteer services?

Volunteer services are services received by an entity from individuals or other entities without charge or for consideration significantly less than the fair value of those services (AASB 1058.B7).

AASB 1058 – Volunteer Services



Provided the services would have been purchased had they not been donated and if they can be reliably measured, local governments will be required to recognise the value contributed by volunteers as an asset or operating expense with the credit being revenue.

Each volunteer activity needs to be assessed individually against the recognition criteria. If individual assessment of activities presents a problem, there is an option to elect to recognise all volunteer services in this way irrespective of whether they would have been purchased if not donated.

Local governments often benefit from volunteer services and now will have to determine if they would have purchased the services for such activities as volunteer bush fire brigades or home care if they had not been donated.

Volunteer Services Assessment Table

| Volunteer Activity within Shire | Shire Responsibility | Would have been purchased if not donated | Can be reliably measured | Recognise Value of Contribution (If both YES, then YES) |
|---------------------------------|------------------------|--|--------------------------|---|
| Bush Fire Brigade | No Operated by DFES | NO | | |

| | | | | |
|---|----------------------------|----|--|--|
| Volunteers within Local Sporting Groups | No Private Community Clubs | NO | | |
| St Johns Ambulance | No Rotary | NO | | |

It has been assessed that there are no services under Shire responsibility that are operated and require volunteers.

4. Revenue recognition when Leases are entered into at below market rates (or peppercorn)

The difference between the right of use asset and the lease liability will be recognised as revenue in most cases. The right of use asset will be measured at fair value. The difference arises as the lease liability is likely to be lower than the right of use asset due to the below market lease payments.

The Shire does not have any leases at below market rates but will apply this section in the future if required.

5. Revenue recognition when Assets are received at below market value

The difference between the transaction price and the fair value of the asset may be recorded as a contribution by owners, a liability or income (AASB1058), depending on the nature of the transaction. Assets which are received at zero value or nominal value which are significantly lower than the assets fair value must be initially measured at fair value.

The Shire has not received any assets at below market rates but will apply this section in the future if required.

AASB 16 Leases

This standard replaced AASB 117 Leases effective from 1 July 2019.

The principle change in the new Standard relates to the measurement of operating leases (leases for which an asset is used by one entity where a lease fee is paid and the asset returned back to the providing entity at the end of the lease term).

The identified categories of leases that Local Government uses for which the new Standard may apply to include:

- Leased Vehicles
- Leased Equipment (with a value of more than \$5,000)
- Any venues/facilities tenanted by the Shire on long term leasing arrangements

Under the previous Standard, the lease fees paid to lessors and leasing companies have been recognised as operating expenses. Under the new Standard, the leased items are recognised as assets, with the value of the assets being the net present value of lease payments over the lease term with a corresponding lease liability for the same amount.

Over time all lease fees paid will reduce the balance of the lease liability and a depreciation expense will be being recognised to reduce the value of the newly created assets.

There are two exemptions from the requirements of AASB 16 being, for short-term leases (12 months or less) or where the underlying asset is of low value. Low underlying asset value is not the same a low lease payment.

In the case of a peppercorn lease if the fair value of the right-of-use of the asset is material then these leases will be captured by the new requirements. When there are concessionary leases terms (peppercorn), any difference between the lease liability and the fair value of the right-of-use asset will immediately be recognised as income in accordance with AASB 1058.

The recent release of AASB 2018-8 gives not-for-profits the option to apply either cost or fair value to right-of-use assets in relation to concessionary leases however, this relief is temporary and comes with additional disclosure requirements regarding the impact of this election.

There is also Financial Management Regulation 17A(2) to consider which requires all assets of the local government to be shown at fair value in the financial statements.

Assessment

The Shire has a lease for a Copier that has previously been expensed to an operating account each month.

The Shire has implemented AASB16 and brought the NPV of the Photocopier to account as an Asset, with an offsetting Liability. This liability will reduce by the monthly rental payments and the Asset Value will reduce by applying a monthly depreciation to the asset over its life. Interest will be expensed.

The Shire does not lease any asset under peppercorn lease arrangements.

Note in relation to Revenue recognition in draft Annual Financial Statements

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/Warranties | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of revenue recognition |
|---|--|--------------------------------------|--|---|---|---|---|--|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contract commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Not applicable | Not applicable | Cash received | On receipt of funds | Not applicable | When assets are controlled |
| Licences/ Registrations/ Approvals | Building, planning, development and animal management, having the same nature as a licence regardless of naming. | Single point in time | Full payment prior to issue | None | Set by State legislation or limited by legislation to the cost of provision | Based on timing of issue of the associated rights | No refunds | On payment and issue of the licence, registration or approval |
| Pool inspections | Compliance safety check | Single point in time | Payment in line with inspection | None | Set by State legislation | Applied fully on timing of inspection | No refunds | Revenue recognised after inspection event occurs |
| Other inspections | Regulatory Food, Health and Safety | Single point in time | Full payment prior to inspection | None | Set by State legislation or limited by legislation to the cost of provision | Applied fully on timing of inspection | Not applicable | Revenue recognised after inspection event occurs |
| Waste management collections | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Waste management entry fees | Waste treatment, recycling and disposal service at disposal sites | Single point in time | Payment in advance at gate or on normal trading terms if credit provided | None | Adopted by council annually | Based on timing of entry to facility | Not applicable | On entry to facility |
| Property hire and entry | Use of halls and facilities | Single point in time | In full in advance | Refund if event cancelled within 7 days | Adopted by council annually | Based on timing of entry to facility | Returns limited to repayment of transaction price | On entry or at conclusion of hire |
| Fees and charges for other goods and services | Cemetery services, library fees, rental income, reinstatements and private works | Single point in time | Payment in full in advance | None | Adopted by council annually | Applied fully based on timing of provision | Not applicable | Output method based on provision of service or completion of works |
| Commissions | Commissions on licencing and ticket sales | Over time | Payment in full on sale | None | Set by mutual agreement with the customer | On receipt of funds | Not applicable | When assets are controlled |
| Reimbursements | On- charge of expenses & Insurance claims | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement with the customer | When claim is agreed | Not applicable | When claim is agreed |

