

Risk and Regulation Action Plan – February 2024

Completed  In progress  Ongoing  Not yet commenced  Reviewed elsewhere 

2022/23 Financial Audit

Area's Actions Required	Actions:	Date completed/ comment:
Corporate IT Strategy	Develop a Corporate IT Strategy for the Shire of Merredin that links to the business objectives outlined in the Shire of Merredin Corporate Business Plan.	
IT Policies/ Procedures	Though a range of processes are currently in place in relation to backups, physical security, HR security and a number of the other areas listed below, the Shire will formalise/ develop documented IT and Cyber Security policies/ procedures that include: <ul style="list-style-type: none"> - Access control (including Account management, Account requests and approvals, Account monitoring, User authentication, Account auditing) - Physical security - Backup protocols - Change management - HR security - Information classification - Data loss prevention 	
	Review policies created above and determine if further policies are required, or any amendments need to be made.	
IT Procedures	Formalise/ develop a series of procedure documents/ work instructions to support the policies referred to in Action 2.	
Permission Matrices	Permission matrices are in place for the new payroll system. Staff in the Finance team who complete payroll for the Shire have administrative access and use two-factor identification to access the system. The Executive Manager Corporate Services is the overseer of this system and approves access levels. Employees only have access to enter timesheets and leave requests and check accruals and balances. They are unable to change data within the system. This has been implemented since 1 July 2023.	Completed 1.7.2023

	<p>A review of user access of the Shire's accounting system has occurred to ensure appropriate access for staff. During the review, all staff access to the Shire's IT system was checked to ensure accuracy.</p> <p>Moving forward these reviews will be scheduled quarterly to ensure that security is maintained with the first review to take place prior to 31 January 2024.</p>	Initial review completed
	A permission matrix document will be developed that outlines permissions to be assigned to each position in the organisations, as per the organisation structure, to guide future reviews.	
Disaster Recovery Planning	Desktop testing of the Disaster Recovery Plan will be completed by the Executive Management Team.	
	A review of the Disaster Recovery Plan will occur once desktop testing has been completed to identify any amendments that may need to be made.	
Password Policies	All password settings in the IT system have been updated to reflect best practice recommendations. These include minimum 10 characters for passwords. This change was made when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed these are currently in place.	Completed 10.11.2023
	The password lockout threshold has been set to three attempts. This was completed when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed this is currently in place.	Completed 10.11.2023
Privileged Accounts	Removal of IT service providers administration status occurred during the Audit visit in September when attention was drawn to the issue.	Completed 10.11.2023 - A full audit of IT system users was completed at this time and the system reflects all staff and positions accurately.
	A procedure will be developed to ensure the IT system user review process is completed regularly (at least four times per year), as well as included in onboarding and offboarding processes moving forward.	
	Quarterly review dates will be added to the Shire's compliance system to ensure staff are alerted when reviews are due.	Review dates added to Attain 23.2.2024
Cyber Security Training	The Shire have completed testing over the previous 12 months to identify areas of risk by utilising phishing campaigns with staff and Councillors. It is recognised that further training is required and available training options for staff will be investigated.	

	Develop a training schedule to ensure all staff with network access are exposed to cyber security training at least annually.	
	Implement training, with initial roll-out to be completed by 30 June 2024.	

Financial Management Review

Recommendations:	Actions:	Date completed/ comment:
Bank Reconciliations processes require review to ensure current practices are documented.	Documented processes and procedures to be developed relating to bank reconciliations	
End of Month checklist to be developed to ensure all processes are completed.	The End of Month Checklist has been developed, however is not being used regularly. This will become part of the usual end of month process, with the EMCS to sign off each month moving forward. Some additional items will also be added to deal with items raised in the FMR relating to end of month procedures.	End of Month Checklist is now used at the end of each month to ensure all processes are complete. Further checklists will be put in place for each of the positions.
Appropriate segregation of duties relating to processes for sundry debtors credit notes need to be developed.	A new process was implemented upon receiving draft feedback on the FMR. All credit notes must now be requested by either an Exec Manager or the CEO with an explanation as to why the credit note is required. This will be formalised in a written document moving forward.	Written document has been completed and will be placed in the Debtors Procedure Manual.
In future, the rates notices/ newsletters need to contain a statement of objects and reasons for imposing differential rates, differential minimums and service charges.	As part of the move to digital rates being offered to ratepayers from the 24/25 financial year, the rear page of the rates notice has been reviewed with some additional information provided. The rates newsletter will also be updated to contain the information outlined by Moore prior to being sent out.	This will be completed when the 24/25 rates modelling and billing occurs.
Key reconciliations should be completed prior to the finalisation of the monthly financial reports.	This will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	These processes are now included in the End of Month Checklist. These are currently checked each month and the EOM checklist is reviewed and authorised. This will continue to be completed moving forward.
Segregation of duties relating to procurement related activities need to be reviewed and documented.	The finance team are currently reviewing processes around purchasing and developing a recommendation for processes moving forward. This has been ongoing for a number of months and has included seeking advice from other local governments on what options are available. The current process has not been flagged by the auditors as presenting any issues.	New processes are currently being trialled within the Corporate directorate. If successful, these will be rolled out to the remainder of the organisation.

ABA banking files storage location to be reviewed to improve security.	Though the current location is locked to only a handful of staff, it has been recommended that no more than three or four staff have access.	An additional storage location has been created for the Payroll ABA file with restricted access.
Monthly payroll reconciliations noted three imbalances, however these imbalances were reported at the time and records were maintained to support the reasons for the imbalances. It is suggested that these controls and practices are continued.	The current controls will be documented to ensure their continuation.	Monthly payroll reconciliations are completed and imbalances rectified prior to the commencement of the following pay. A payroll end of month checklist will be implemented to ensure processes continue.
Two staff members did not sign credit card agreements at the time of receiving their credit cards, however a process was implemented mid-last year that has ensured all card holders since have completed this agreement.	There was previously no credit card agreement for staff to sign when there were issued with their credit cards, at the time this was highlighted this was rectified and staff receiving their cards since then have signed the agreement and been added to the register.	Completed September 2023. New staff sign agreements and are added to the register at the time of receiving their credit cards.
Credit card reconciliations are not completed prior to the monthly funds direct debit being completed. The recommendation is for staff to check their statements earlier in the billing cycle.	The EMCS will check credit card statements when pulling through creditor/ payroll batches each week and check any suspicious looking transactions with the respective executive. A work instruction for this will be developed.	The practice has commenced, however the work instruction/ register has not yet been developed.
Fixed asset reconciliations are delayed until the sign off of the annual financials each year, the reviewers suggest that attention be drawn to this in the monthly statement of financial activity.	In future, a comment will be included in the monthly statement of financial activity for months prior to the completion of the Fixed Asset Reconciliations until the sign off of the Annual Financial Report.	Fixed Asset Reconciliations were completed in December 2023 and reported in the monthly statement of financial activity. A note will be made in the July 2024 monthly report until completion of Asset Reconciliations.
A review of the asset register to ensure depreciation details match key accounting information requirements. Ensure updates to the asset register include review and authorisation by an independent officer.	An annual process will be implemented as part of the End of Year Checklist to review the asset register and ensure depreciation rates match to the accounting information requirements and any changes required are reviewed and authorised by the EMCS.	
Regular review of cost reallocations to ensure accuracy and so that administration costs are not being incorrectly capitalised.	A review will be undertaken to review cost allocations prior to the 2024/2025 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process.	
Review of activity based costings to support calculation of rates being applied. Procedures to be developed to ensure regular review and monitoring of these costs.	A review of activity based costing will be undertaken prior to the 2024/2025 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process. These costs will also be monitored and added to the End of Month Checklist.	

The Annual Report requires a statement relating to the process of applying for information under the Freedom of Information Act.	This information has been included in the 22/23 Shire of Merredin Annual Report.	Completed 11/12/2023
The link to the payment listing attachment from the January 2023 Ordinary Council Meeting is not working on the Shire's website. The payment listing is required by legislation to be published with the meeting minutes.	The Governance team will investigate the possible options for dealing with minute attachments in future to ensure they are all available on the website as required.	All attachments are now included within the minutes PDF, rather than via links which have the potential to fail.
Written procedures are required for the reconciliation of borrowings.	A work instruction will be developed and this will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	
Timely reconciliation of stock (including fuel) is required and controls need to be established.	This issue has already been identified through the risk register and processes are beginning to be developed.	Fuel dips have been completed for December and January, however the reconciliation process and work instruction are to be developed.
Documentation of controls relating to general journal procedures are required. This should include regular audit trails being completed to ensure now unauthorised journals have been completed.	The printing and review of audit trails will be added to the end of month checklist moving forward to ensure completion and sign off occurs each month. A written procedure will also be drafted to outline the processes required.	
The investment register is not routinely reviewed by a more senior officer.	Currently the Shire do not have any active investments, with all funds being in the form of cash and held with our Bank. Moving forward the "cash" register which is completed will be added to the End of Month Checklist to ensure sign off occurs each month.	Investment Register has been added to the End of Month Checklist to be authorised each month by a more senior officer.
An ICT Strategic Plan is required to be developed.	This has been identified as part of the 22/23 Annual Financial Audit and will be developed in the coming 12 months.	
The Business Continuity Plan requires routine testing to ensure validity.	Desktop testing of the Business Continuity Plan will be scheduled prior to the end of the financial year.	
Update procedures to ensure the tender register includes all necessary information.	An update of procedures will be undertaken to ensure the tender register includes all necessary information.	
The tender register on the Shire's website was not updated (23/24 was not uploaded). This has been rectified.	The website has been updated to include the 23/24 tender register, as per requirements.	Completed December 2023
One primary return was not completed within the legislated timeframe. This was reported in the Shire's 2022 Compliance Audit Return at the March 2023 Audit Committee meeting.	Ensure all 22/23 Primary and Annual Returns are completed by the due date.	Completed 31 August 2023. All 22/23 Primary and Annual Returns were completed by the due date.

Policy 3.5 - Investment Policy requires review and updating. It is suggested that the review timeframe could be amended to align with organisational requirements.	This Policy, along with a number of others, will be reviewed in the coming months.	
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Risk Dashboard Review

Asset Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Verification of Roads data into RAMMS	Partial	Dec -23	Ongoing, process has commenced.
Quarterly stocktakes at works depot	Y	Dec-23	Completed 30 June 2023.
Create Asset Management Strategy	Partial	Mar -24	Assessment of condition of sealed road network completed October 2023. Mapping of all road assets completed November 2023. Development of road hierarchy completed December 2023 will be brought to Council in March.
Business and Community Disruption			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review LEMA annually	Y	ongoing	Adopted at LEMC Meeting 26 October 23.
Failure to Fulfil Compliance Requirements (statutory, regulatory)			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Compliance Calendar within Attain	ongoing	ongoing	
Review process for CAR completion	Y	ongoing	2023 CAR presented to Audit and Council in February 2024.
Document Management Process			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Digitise vital records	Partial	Dec-24	Some records digitised.
Review policies and create Policy Index with 'last reviewed date' component	Yes	Dec-23	Policy Index developed.
Review procedures and create Procedure Index with 'last reviewed date' component	N	Jun-24	Commenced October 2023.

Creation of key secure documents that are unable to be edited (H Drive)	Partial	Mar-24	Most folders/ documents secured.
Continue to review archives of the Shire	Partial	Ongoing	Records officer has commenced review.
Employment Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop and implement Recruitment Process	Partial	Jun-23	Mostly completed – PDs and Classifications reviewed and updated.
Review of qualification, licenses and tickets for required staff	Partial	ongoing	In progress. Training register updated and reviewed regularly.
Engagement Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Engagement & Consultation Framework	N	Jun-24	
Complete Community Scorecard Survey	N	Dec-23	Not within budget, alternative methods under consideration.
Environment Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Complete outstanding actions from waste water re-use audit	Y	Dec-24	Audit carried out on 26/10/2023, overall audit score “Good.” Four recommendations for implementation by December 2024, will be finalised prior to that timeframe as part of CBD/Apex Park redevelopment.
Develop Landfill Closure Plan	Partial	Jun-24	Funds allocated in 2023/24 budget. Tender for consultancy services issued Dec 23 and will be awarded February 2024. Report due June 2024.
Errors, Omissions and Delays			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Identify key procedures for ALL areas, to be documented	N	Jun-24	A number of Corporate procedures identified via FMR and Audit.
Create Procedural/Internal Management procedures and policies	Partial	Dec-24	Some initial procedures created.

Consider a 'Knowledge Management' system for procedures (intranet)	Partial – intranet in place but not well utilised	Jun-24	Media officer has returned from leave and is beginning the process of reviewing and updating the intranet.
Consider implementing a process to track complaints/ work requests	Partial	Dec-24	A spreadsheet is in place currently to log requests/ Snap send solves. Synergy and Altus modules explored, may be considered for next financial years budget.
External Theft, Fraud or Damage			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of contractor access and induction processes, including assessment of effectiveness and consistency	Partial	ongoing	Inductions of staff following commencement of employment with the Shire of Merredin. Use of VELPIC (now DAMSTRA) training module and assistance from LGIS Regional Risk Coordinator for induction of contractors.
Management of Facilities/ Venues/ Events			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review internal procedures for events and bookings - communication focus	N	Jun-24	Delayed due to staff turnover.
Review facility/ venue hire forms created for Cummins Theatre & other external facilities	N	Jun-24	Review underway.
IT or Communications Systems and Infrastructure			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop an IT equipment register and replacement plan	Partial	Jun-24	Commenced.
Develop and implement ICT Framework	N	Jun-24	Has been included in IT Contract scope for 2024 onward.
Review performance of IT vendors	Yes	Dec-23	Request to quote sent out to IT contractors December 23. New contract awarded to previous providers.
Implement staff and councillor training for enhanced IT security	N	Jun-24	Has been included in IT Contract scope for 2024 onward.
Review staff IT access profiles on shared drive and in SynergySoft	Yes	Dec-23	All current profiles and accesses reviewed. New onboarding document developed to ensure

			correct access is provided based on Exec approval.
Misconduct			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of Induction Procedure	Partial	ongoing	Induction document reviewed and updated. Damstra modules for code of conduct and WHS. WALGA training for Intro to LG and Procurement basics.
Review Fraud & Corruption Control Plan	N	Jun-24	
Authorised officers letters of appointment	Partial	ongoing	Register created. Letters provided to new rangers.
Ethical and Accountable Decision-Making training	Yes	ongoing	Part of staff reinduction March, further training completed November 2023.
Projects/ Change Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop project management plans for the management of major projects (i.e. CBD)		As required	Kept as live documents, updated as required.
Safety and Security Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Determine contractor/ site inspection procedural approach	Y	ongoing	Use of VELPIC (Damstra) training module and assistance from LGIS Regional Risk Coordinator for induction of contractors.
Conduct Annual Risk Assessment for BFB and SES	N	Jun-23	Planned for completion prior to December 2023.
Supplier/ Contract Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Regular review of Tenders, Contracts, Agreements and Grants SynergySoft module	Y	ongoing	Contract and Grant milestones emailed weekly.
Procurement and Disposal			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review local panel of suppliers	Partial	Mar -24	Meeting conducted with WALGA 12 July 2023. Two tenders will be issued early 2024: - Suppliers & Trades.

			- Plant Hire – Contractors.
Review the Disposal of Assets Policy to include updated regulations	Partial	Mar-24	Reviewed policy to be presented to Council February 2024.
Training for requisitions and purchase orders	Partial	ongoing	Completed one on one as required presently. All staff signed up to complete WALGA Procurement basics training. This will form part of all staff inductions moving forward.