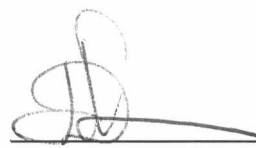# CONFIRMED MINUTES

AUDIT AND RISK COMMITTEE MEETING

17 MAY 2022

I certify that the minutes of the meeting of the Audit and Risk Committee held on Tuesday, 17 May 2022 were confirmed on Tuesday, 28 June 2022.

_____
Presiding Person

CONFIRMED MINUTES
AUDIT AND RISK COMMITTEE MEETING
17 MAY 2022

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

CONTENTS

AUDIT AND RISK COMMITTEE
COMMITTEE ROOM, 7000 GREAT EASTERN HIGHWAY, MUNDARING – 4.00 PM

1.0 OPENING PROCEDURES

The Presiding Person declared the meeting open at 4.00pm.

<u>Acknowledgement of Country</u>

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We wish to acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members	Mr Craig Wilkinson (Presiding Person)	External Member
	Mr Tony Wittcomb	External Member
	Cr James Martin (Shire President)	South Ward
	Cr Paige McNeil (Deputy Shire President)	Central Ward
	Cr Doug Jeans (arrived 4.19pm)	Central Ward
	Cr Karen Beale (arrived 5.25pm)	West Ward
	Cr John Daw	East Ward
Staff	Jonathan throssell (via WebEx)	Chief Executive Officer
	Garry Bird	Director Corporate Services
	Stan Kocian	Manager Finance & Governance
	Liz Nicholls	Governance Co-ordinator
	Mark Luzi	Director Statutory Services
	Andrea Douglas	Minute Secretary
Apologies	Ms Rachael Green	External Member
Absent	Nil	
Guests	Cr Zlatnick (Observer)	East Ward
Members of the Public	Nil	
Members of the Press	NIl	

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0   DECLARATION OF INTEREST

3.1   Declaration of Financial Interest and Proximity Interests

Elected Members must disclose the nature of their interest in matters to be discussed at the meeting *(Part 5 Division 6 of the Local Government Act 1995).*

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting *(Sections 5.70 and 5.71 of the Local Government Act 1995).*

Nil

3.2   Declaration of Interest Affecting Impartiality

An Elected Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest *(Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C).*

Nil

4.0   RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0   PUBLIC QUESTION TIME

Procedures for asking and responding to questions are determined by the Presiding Person and in accordance with the Shire's Meeting Procedures Local Law 2015. Questions must relate to a function of the Committee.

Nil

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE DECISION RECOMMENDATION			ARC1.05.22
Moved by	Mr Wittcomb	Seconded by	Cr Daw

That the Minutes of the Audit and Risk Committee Meeting held 26 April 2022 be confirmed noting Item 2.0 "Announcement by Presiding Member without Discussion" Point 2.2 be amended as follows:-

2.2 *Deputy Chair Position for the Audit and Risk Committee*

At this stage this position can be left vacant until after the Extraordinary Election to be held on 1 July 2022 where a new Council member will be appointed and it will give them an opportunity to be on at least one committee meeting of Council. **Once the position is filled we will elect a new Deputy Chairperson. In the meantime, should the Chairperson be unavailable for a meeting, the remaining members of the Committee can elect a chairperson for that meeting**.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Martin, Mr Wittcomb and Cr McNeil

Against: Nil

7.0 PRESENTATIONS

7.1 Deputations

Nil

7.2 Petitions

Nil

7.3 Presentations

Nil

8.0 REPORTS OF EMPLOYEES

8.1 Operating Risk Register

File Code	RM.RAS 1
Author	Elizabeth Nicholls, Governance Co-ordinator
Senior Employee	Garry Bird, Acting Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Operating Risk Register - Risk Dashboard ⇩

SUMMARY

That the Audit and Risk Committee note the Operating Risk Register (Register) (**Attachment 1**).

BACKGROUND

An item was presented to the Audit and Risk Committee meeting held 22 February 2022 regarding the Strategic Risks Review. The Committee determined:

That this item be deferred to the 26 April 2022 Committee Meeting to allow the Committee to consider these risks in conjunction with the Operating Risk Register, scheduled for consideration at that meeting.

As part of the Shire's greater focus on risk management in general, this document has been updated from the internal Risk Management Committee Meeting.

STATUTORY / LEGAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

Risks are considered and measured in accordance with the Shire's Risk Management Policy.

FINANCIAL IMPLICATIONS

There are no perceived financial implications arising from the Recommendation.

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

There are no perceived sustainability implications arising from the Recommendation.

RISK IMPLICATIONS

Risk: Officers do not review the Operating Risk Register on a regular basis consistent with the Shire's Strategic risk.		
Likelihood	**Consequence**	**Rating**
Possible	Moderate	Low
Action / Strategy		
That Officers review the Shire's Operating Risk Register regularly and presented to the Audit and Risk Committee for noting.		

EXTERNAL CONSULTATION

Nil

COMMENT

The Register is an operational document used by Staff and is to be read in conjunction with the Strategic Risk Register (also presented to the Audit and Risk Committee for consideration at this meeting). The Register has been provided in a static pdf format for the purposes of this meeting however it is used by Staff in an editable spreadsheet with increased functionality.

The Register includes the following headings/ themes:

1. Asset Sustainability Practices (Asset Sustainability)
2. Business and Continuity Disruption (Business Disruption)
3. Failure to Fulfil Compliance Requirements (Statutory, Regulatory) (Compliance)
4. Document Management Processes (Document Management)
5. Employment Practices
6. Engagement Practices (Engagement)
7. Environment Management (Environment)
8. Error, Omissions and Delays
9. External Theft and Fraud (incl. Cyber Crime)
10. Management of Facilities, Venues and Events (Facilities/ Venues)
11. IT, Communication Systems and Infrastructure (IT and Communications)
12. Misconduct
13. Project/ Change Management
14. Safety and Security Practices (Safety and Security)
15. Supplier and Contract Management (Supplier/ Contract)

The Operational Risk Register is considered by Staff on a rolling basis and is attached for Committee Member noting.

4.19pm Cr Jeans arrived at the meeting.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION RECOMMENDATION			ARC2.05.22
Moved by	Mr Wittcomb	Seconded by	Cr Daw

That the Committee:

1. has considered the Operating Risk Register as attached;

2. request that the Operating Risk Register is presented in the future in a way that provides the committee with the assurances that supports the ratings provided by staff; and

3. a timeline to address inadequate control items be bought back to the October 2022 Audit and Risk Committee meeting.

CARRIED 6/0

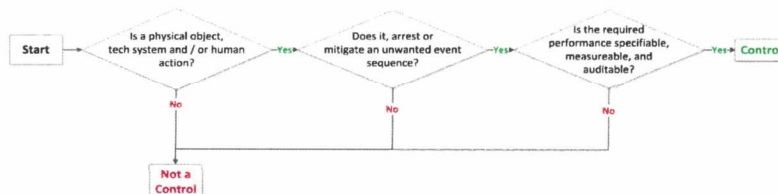**For:** Cr Daw, Mr Wilkinson, Cr Martin, Mr Wittcomb, Cr McNeil and Cr Jeans

Against: Nil

Mundaring Measures of Consequence

Rating	PEOPLE (Staff & Public)		INTERRUPTION TO SERVICE	REPUTATION (Social / Community)	COMPLIANCE	PROPERTY (Plant, Equipment, Buildings)	NATURAL ENVIRONMENT	FINANCIAL IMPACT
	Physical	Psychological						
Insignificant 1	Negligible injuries	Temporary, no leave taken, short term impact with full recovery	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community trust, low profile or no media item.	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact managed by on site response	Less than $10,000
Minor 2	First Aid injuries	Sick leave, short term impact, recovery 1-3 weeks	Short term temporary interruption – backlog cleared < 1 day	Substantiated, localised impact on community trust or low media item	Some temporary non compliances	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	$10,000 -$100,000
Moderate 3	Lost time injury less than 10 Days	Significant, non-permanent, longer term illness, recovery 1-6 months	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Short term non-compliance but with significant regulatory requirements imposed	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	$100,001 to $350,000
Major 4	Lost time injury more than 10 Days	Longer term illness, severe trauma, extended incapacity	Prolonged interruption of services – additional resources; performance affected < 1 month	Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties to Shire / Officers	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	$350 000 to $2.0M
Extreme 5	Fatality, permanent disability	Death, permanent severely disabling illness, e.g. Post-Traumatic Stress Disorder	Indeterminate prolonged interruption of services non-performance > 1 month	Substantiated, public embarrassment, widespread loss of community trust, high widespread multiple media profile, third party actions	Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire/ Officers	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact	>$2.0M

Measures of Likelihood

Rating	Description	Frequency
Almost Certain (5)	The event is expected to occur in most circumstances	More than once per year
Likely (4)	The event will probably occur in most circumstances	At least once per year
Possible (3)	The event should occur at some time	At least once in 3 years
Unlikely (2)	The event could occur at some time	At least once in 10 years
Rare (1)	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix

	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Supervisor / Team Leader
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Service Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Executive Leadership Team
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by national level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings

Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
Adequate	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
Inadequate	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.

Start → Is a physical object, tech system and / or human action? —Yes→ Does it, arrest or mitigate an unwanted event sequence? —Yes→ Is the required performance specifiable, measureable, and auditable? —Yes→ Control

No → → No → → No →

Not a Control

Shire of Mundaring
Risk Dashboard Report October 2018

Asset Sustainability Practices		Risk	Control
		High	Effective
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

External Theft and Fraud (inc. Cyber Crime)		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
Implement automatic shutdown of all network machines at 1am or 3 am to ensure all updates and	Aug-21	Manager IT	
Limit unsupervised access to server room to IT staff only.	Aug-21	Manager IT	
Use Compliance Criteria in RFQs and RFTs to specify that suppliers agree with our IT security	Aug-21	Manager IT	
#REF!	#REF!	#REF!	

Business & Community Disruption		Risk	Control
		Not Material	Not Rated
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Management of Facilities, Venues and Events		Risk	Control
		High	Effective
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Failure to Fulfil Compliance Requirements (Statutory, Regulatory)		Risk	Control
		Moderate	Effective
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

IT, Communication Systems and Infrastructure		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Document Management Processes		Risk	Control
		Moderate	Effective
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Misconduct		Risk	Control
		Not Material	Effective
Current Actions	Due Date	Responsibility	

Employment Practices		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Project / Change Management		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Engagement Practices		Risk	Control
		Not Material	Not Rated
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Safety and Security Practices		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	
		#REF!	
#REF!	#REF!	#REF!	

Environment Management		Risk	Control
		Moderate	Adequate
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Supplier and Contract Management		Risk	Control
		Not Material	Not Rated
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

Errors, Omissions and Delays		Risk	Control
		Not Material	Not Rated
Current Actions	Due Date	Responsibility	
#REF!	#REF!	#REF!	
#REF!	#REF!	#REF!	

To add additional Actions cells, insert a new line, click in the last of the existing cells above and drag down. This will bring the formulas into the new cells.

| Strategic Risks | | | | | | | | Sep-21 |

Risk Description	Risk Category	Key Risk Consequences	Likelihood	Consequence	Risk Level	Tolerance	Key Controls	Control Rating
Lack of planning for , responding to and recovery from COVID-19 Pandemic and global impact	Health / Economic	Health impact (society) Economic impact (society) Financial impact (Shire) Environmental benefit Interruption to service People	Almost certain	Major	Extreme	Attention required	Federal / State Public Health and COVID-19 Directives implemented with focus on relief and recovery requirements and critical service provision; Local Recovery and Relief- Committee and Initiatives including subcommittees (community & economic); Sector- wide Lobbying and Advocacy; OP-30 Pandemic Leave, OP-22 COVID-19 in the Workplace.	Effective
Lack of planning for responding to and recovery from major natural disasters ie. Bushfire/flooding	Health / Environmental	Financial People Natural environment Interruption to service Property Reputation	Unlikely	Extreme	High	Attention required	State and Local Emergency Management Arrangements Business Continuity Plan Workforce Plan (skills in emergency management) LPS4 and relevant policies Bushfire mitigation service Volunteer bushfire brigades MOU with DFES Bushfire Area Access Strategy	Effective
Major economic shifts, e.g. global financial crisis	Economic	Financial impact (positive and negative) Impact on community Loss of service	Unlikely	Moderate	Moderate	Monitor	LTFP; Integrated planning processes.	Effective
Core changes to local government - e.g. rating powers, boundary changes, LG Act and other State legislation	Political	Financial impact - revenue Compliance Interruption to service	Possible	Major	High	Attention required	LTFP; Sector wide lobbying and advocacy strategy e.g. WALGA; Input into LG Act review; Actively monitor legislative changes; Stakeholder relationship management plan.	Effective
Inability to manage community expectations for increased service levels based on capacity to deliver	Political	Reputation	Almost certain	Moderate	High	Attention required	LTFP; Strategic Community Plan; Community Engagement Framework; Community Perception Survey Resident and Ratepayers Forums Ongoing communication around existing capacity and services.	Adequate
Breakdown of relationship and/or structural service changes with key external stakeholders eg WALGA & State Government	Political	Financial impact - revenue Interruption to service Reputation	Unlikely	Major	Moderate	Monitor	Stakeholder Relationship Management Plan; EMRC Establishment Agreement; WALGA Zone membership.	Adequate
Breakdown of relationship with the EMRC.	Financial / Service	Financial impact - revenue Interruption to service	Possible	Major	High	Attention required	Membership of EMRC. Relationships with Swan and Kalamunda Stakeholder Relationship Management Plan Waste Reserve EMRC Establishment Agreement	Adequate
The Strategic Community Plan fails to meet community expectations.	Political	Reputation	Possible	Moderate	Moderate	Monitor	IPR framework Community Engagement Strategy to develop SCP	Adequate
Breakdown of corporate governance controls, including systems, procedures, training and reporting	Governance	Financial Compliance Reputation	Unlikely	Extreme	High	Attention required	Systems, procedures, training and reporting. Governance Framework, Annual compliance audit return, internal and external audits, Audit and Risk Committee (ARC). External membership on ARC.	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Risk	Category	Impact	Likelihood	Consequence	Risk Rating	Action	Controls	Control Rating
Corporate governance failure - breakdown in relationship between councillors/staff; Council/CEO; and between councillors	Governance	Reputation Financial Compliance	Unlikely	Moderate	Moderate	Monitor	Codes of Conduct Legislative separation of power regular President/CEO liaison CEO annual performance review process Induction programs for elected members and staff, Admin-01 Communications between Elected Members and Employees Complaints Management Policy	Adequate
Harmful effects of unregulated broadcast channels (e.g. social media) which can distort Shire communications and increase spread of disinformation	Governance	Reputation People	Almost certain	Moderate	High	Attention required	Social Media Operational Plan and adequate resourcing; Use of Social Media OP-40 Code of Conduct Training of staff and elected members.	Adequate
State government changes to fees, levies, rebates, cost shifting, and unfunded service requirements	Financial	Financial impact - revenue and expenditure Reputation	Likely	Moderate	High	Attention required	LTFP; Sector wide lobbying and advocacy strategy e.g. WALGA. Communicate local impact assessment of state and federal budgets	Adequate
Increased waste management costs due to variations in world recycling markets and state government waste initiatives	Financial	Financial impact Environmental impact	Possible	Major	High	Attention required	LTFP; Regional Waste Education Steering Group; Waste Plan Participation in EMRC	Adequate
Reduced external grants e.g. Roads to Recovery, Financial Assistance Grants	Financial	Financial impact	Possible	Moderate	Moderate	Attention required	LTFP/AMP/Integrated planning process; Lobbying and advocacy e.g. via ALGA, WALGA; Evaluation/accreditation.	Adequate
Inability to fund Asset Management Plans at appropriate service levels	Financial	Financial	Unlikely	Moderate	Moderate	Monitor	LTFP/Integrated planning; Rigour of Council prioritisation; Rigour of project management; Asset Management Plans.	Effective
Lack of planning and delivery of protection and conservation of natural areas	Environmental	Financial Natural Environment Property Reputation	Possible	Moderate	Moderate	Monitor	LPS4 Development of Conservation Strategy Friends Group Strategy Eastern Region Catchment Management Program Dedicated landcare and verge week control teams	Effective
Inadequate local plans and response to impacts of Climate Change	Environmental	Environment People Financial	Likely	Major	High	Attention required	Local Climate Change Adaptation Action Plan; Regional Climate Change Adaptation Action Plan; LPS4; Drainage capacity program; Annual reporting on the Energy Emissions Reduction Strategy; Council Policy on Environment; Climate Emergency Declaration.	Effective
Workforce not fit for purpose to deliver organisational outcomes and services	Workforce	People Financial Interruption of service	Unlikely	Moderate	Moderate	Monitor	Regular service reviews; Workforce Plan; Integrated Planning process.	Effective
Industrial action/staff turnover due to failure to negotiate industrial agreements	Workforce	Financial impact Interruption of service Reputation	Unlikely	Major	Moderate	Monitor	LTFP; Workforce Plan (WFP); Engage IR support; Fair Work Commission.	Effective
Business interruption (systems, people, facilities) e.g. cyber security breaches, loss of building	Interruption to Service	People Interruption of service	Possible	Moderate	Moderate	Monitor	Business Continuity Plan; Insurance, annual reviews; CBP; Asset Management Plan; Local Emergency Management resources; Cyber security systems and controls.	Effective

Asset Sustainability Practices — Jun-21

Failure or reduction in service of infrastructure assets, plant, equipment or machinery.
These include fleet, buildings, roads, playgrounds, boat ramps and all other assets during their lifecycle from procurement to disposal.

Areas included in the scope are;
-Inadequate design (not fit for purpose)
-Ineffective usage (down time)
-Outputs not meeting expectations
-Inadequate maintenance activities.
-Inadequate financial management and planning (capital renewal plan).
It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include;

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Controls Assurance

Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Inadequate funding for capital renewal projects over the life of the LTFP (as opposed to new works)										
Routine maintenance schedules for infrastructure items (roads, bridges, drainage, footpaths), parks and reserves, buildings, fleet and equipment.	Preventative	Nov-20	Effective	Manager Design Services						
Asset register is reviewed and updated at least annually.	Preventative	Nov-20	Effective	Manager Design Services						
Asset replacement schedules developed for relevant items.	Preventative	Nov-20	Effective	Manager Design Services						
Reactive maintenance program.	Recovery	Nov-20	Effective	Manager Design Services						
Assets Officer monitors and assists with developing and maintaining renewal programs.	Preventative	Nov-20	Effective	Manager Design Services						
Ongoing review and update of asset management documents including strategy, individual AMPs and renewal programs.	Preventative	Nov-20	Effective	Manager Design Services						
Review of the LTFP, CBP and 10yr capital works program as part of the annual budget process.	Preventative	Nov-20	Effective	Manager Design Services						
Utilisation of networks via IPWEA NAMS program, WALGA and departmental circulars/updates.	Preventative	Nov-20	Effective	Manager Design Services						
Fair Value adjustment undertaken in 3yr cycle for plant, land, buildings and infrastructure assets, including condition assessment and review of remaining useful life (RUL).	Preventative	Nov-20	Effective	Manager Design Services						
Regular workshops and training with elected members on LTFP, asset management indicators and capital works programming.	Preventative	Nov-20	Effective	Manager Design Services						
Not managing the transfer of responsibility to Shire ownership of new assets with due regard to fit for purpose, condition and ongoing future operating costs (subdivision assets, boardwalks etc.)										
Internal multi-disciplinary team assesses requirements and budgeting for new assets from external developments.	Preventative	Nov-20	Adequate	Manager Design Services						
Developers required to submit detailed plans for Shire approval, regular inspections during construction with 12 to 24 month defect periods before full handover to the Shire.	Preventative	Nov-20	Adequate	Manager Design Services						
New assets are constructed to Shire and other relevant standards.	Preventative	Nov-20	Effective	Manager Design Services						
Asset register is reviewed and updated at least annually.	Preventative	Nov-20	Effective	Manager Design Services						
Operating expenses reviewed annually as part of the budget process.	Preventative	Nov-20	Adequate	Manager Design Services						
Significant new assets identified in the CBP, LTFP and future capital works.	Preventative	Nov-20	Effective	Manager Design Services						
Fair Value adjustment undertaken in 3yr cycle for plant, land, buildings and infrastructure assets, including condition assessment and review of remaining useful life (RUL).	Preventative	Nov-20	Effective	Manager Design Services						
Regular workshops and training with elected members on LTFP, asset management indicators and capital works programming.	Preventative	Nov-20	Effective	Manager Design Services						
Increased building operational costs because of climate change										
Building energy efficiency measures.	Preventative	Nov-20	Adequate	Manager Building Assets						

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Rationalisation of inefficient buildings.	Preventative	Nov-20	Inadequate	Manager Building Assets							
Investigation of improved, energy efficient and robust materials during the design process for new and existing buildings.	Preventative	Nov-20	Adequate	Manager Building Assets							

	Overall Control Ratings:	Effective	

Current Actions	Due Date	Responsibility	Status of Actions	Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?		Comments
	Consequence:	Major		Consequence: Constant	
Service interruption, Financial, Reputation	Likelihood:	Possible		Likelihood: Constant	
	Overall Risk Ratings:	High	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance	Trend since last review?	Comments

Comments	Comments	

Business & Community Disruption					Aug-21					

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).
This includes;
-Lack of (or inadequate) emergency response / business continuity plans.
-Lack of training for specific individuals or availability of appropriate emergency response.
-Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
-Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc
This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include;

Cyclone, storm, fire, earthquake	Extended utility outage
Terrorism / sabotage / criminal behaviour	Economic Factors
Epidemic / Pandemic	Loss of Key Staff
Loss of suppliers	Loss of key infrastructure
Climate change	

Key Controls	Type	Date	Rating	Control Owner	Controls Assurance					
					Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Significant emergency event (such as Wooroloo bushfire) involving loss of property resulting in increased application workload, pressure on staff and community sensitivity relating to approvals and processes for clearing and rebuilding.										
Continue to apply and encourage bushfire risk mitigation measures for new development	Preventative	*Mar-21*	*Effective*	**Manager Community Safety & Emergency Management**						
Continue to support responsible fuel load reduction around existing properties, informed by DFES guidelines and bushfire science	Preventative	*Mar-21*	*Effective*	**Manager Community Safety & Emergency Management**						
Training for staff in having difficult conversations and dealing with people in distress	Preventative	*Mar-21*	*Effective*	**Manager HR**						
Maintain support through appropriate agencies for staff dealing repeatedly with residents who are grieving loss of property, family members, pets or environmental features	Responsive	*Mar-21*	*Effective*	**Manager HR**						
Access additional staff and resources, e.g. part-time staff, perhaps even from other LGs if required	Responsive	*Mar-21*	*Effective*	**Manager HR**						
Lack of available skilled staff/contractors.										
Leadership Team members are actively engaged in annual Workforce planning processes	Preventative	*Aug-21*	*Adequate*	**Manager HR**						
Timely and strategic recruitment is undertaken to fill vacancies and new positions	Responsive	*Aug-21*	*Adequate*	**Manager HR**						
Multi-skilling/job rotation/continuous development of employees within and across services	Preventative	*Aug-21*	*Adequate*	**Manager HR**						
Register of key staff/positions maintained and reviewed annually	Preventative	*Aug-21*	*Inadequate*	**Manager HR**						
Labour hire agency staff and contractors are engaged as required to meet short terms needs	Responsive	*Aug-21*	*Effective*	**Manager HR**						
Workplace of choice and retention strategies	Preventative	*Aug-21*	*Effective*	**Manager HR**						
Employees receive regular training related to responding to emergencies	Preventative	*Aug-21*	*Adequate*	**Manager HR**						
Employee Wellbeing Program	Preventative	*Aug-21*	*Adequate*	**Manager HR**						
Employee Assistance Program	Responsive	*Aug-21*	*Effective*	**Manager HR**						
Business Continuity Plan enacted in response to an event likely to cause business disruption	Responsive	*Aug-21*	*Effective*	**Manager HR**						
Contract management practices	Preventative	*Aug-21*	*Adequate*	**Manager HR**						
Insufficient numbers of VBFB volunteers										
VBFB's have continued to maintain a dedicated longstanding core group of members and of their own accord (supported by SoM and DFES) undertake recruitment activities.	Preventative	*Sep-21*	*Adequate*	**Manager Community Safety, Emergency Services**						
SoM continued support, administration, effective resourcing and governance of VBFB's. Continue to update and maintain equipment.	Preventative	*Sep-21*	*Effective*	**Manager Community Safety, Emergency Services**						

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Business & Community Disruption			Aug-21								
Brigade callout schedules can be adjusted across SoM and other nearby LGA brigades. (Should a temporary shortage of volunteers within a particular VBFB occur).	Preventative	Sep-21	Effective	Manager Community Safety, Emergency Services							
Risk of business continuity arising froma pandemic.											
Regular review and testing of our existing BCP and LEMA plans/Arrangements	Preventative	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Horizon planning in relation to communicable diseases.	Preventative	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Local Emergency Management Arrangements and processes, (that align with National /State/District Emergency management arrangements.	Responsive & Preventative	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Refer to Procedure Admin-47 COVID-19 in the Workplace and OSH-02 Fitness for Work.	Responsive & Preventative	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Risk of interuption to service due to response and recovery activities.											
LEMA Recovery sub-plan in place which is regularly tested via exercising and activation	Responsive & Preventative	Sep-21	Adequate	Manager Community Safety, Emergency Services							
State recovery arrangements in place to assist local governments where scale of incident and impact is likely to overwhelm local resources. Note these partly leverage Commonwealth assistance.	Responsive	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Disaster Recovery Funding Arrangements (DRFA).	Responsive	Sep-21	Adequate	Manager Community Safety, Emergency Services							
Failing to provide continuity of waste collection and…											
			Not Rated								
		Overall Control Ratings:	Not Rated								

Current Actions			Due Date	Responsibility	Status of Actions					Comments

Consequence Category		Risk Ratings		Rating	Has the Risk Rating Changed since the last review?					Comments
Service Interruption / Reputation		Consequence:		Not Material				Consequence:	Constant	
		Likelihood:		Not Material				Likelihood:	Constant	
		Overall Risk Ratings:		Not Material	Risk rating trend since last review				↔	

Indicators	Type	Guidelines		Result		Better or worse than Tolerance	Trend since last review?	Comments

Business & Community Disruption	Aug-21	
Comments	Comments	

Failure to Fulfil Compliance Requirements (Statutory, Regulatory)				Aug-21		

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation. It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices).

Potential causes include;

Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff Turnover	No Compliance Officer or person responsible for Compliance oversight and enforcement
Inadequate record keeping/ failure of corporate electronicsystems	Breakdowns in the tender or procurement process
Ineffective policies & processes	Ineffective monitoring of changes to legislation
Impulsive decision making	Attitudinal problems
Councillor turnover	

Key Controls	Type	Date	Rating	Controls Assurance						
				Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Non-compliance with the Local Government Act										
Dedicated governance service to provide oversight and advice in terms of compliance with the LG Act.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Comprehensive suite of policies, procedures and guidelines are reviewed, updated and available to all staff.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Governance induction for all new permanent employees.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Utilisation of networks and advisory services via Department, Governance Network, departmental circulars/updates and legal advice.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Ongoing professional development for key staff, namely Executives and Governance, to ensure currency of knowledge of LG Act and Regulations.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
External and internal audits (formal and informal), annual Compliance Audit Return and self assessments against OAG's performance audit reports.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Non-compliance with tax legislation in relation to FBT and GST										
Subscription to WALGA tax advisory service.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Ongoing professional development and training for Finance staff.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Recruitment and retention of qualified and experienced Finance employees.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Non-compliance with Australian Accounting Standards in terms of financial reporting and accounting for revenue and expenses										
Recruitment and retention of qualified and experienced Finance employees.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Ongoing professional development and training of Finance staff to maintain currency of knowledge.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Sourcing industry financial reporting templates developed by external industry specialists.	Preventative	*Mar-22*	*Effective*	Manager Finance & Governance						
Annual financial audit undertaken by the OAG.	Detective	*Mar-22*	*Effective*	Manager Finance & Governance						
Non-compliance with building standards and regulations for testing of RCDs, emergency and exit lights, fire equipment, backflow devices, platform lifts, fall prevention etc.										
Planned scheduled testing	Preventative	*Nov-20*	*Adequate*	Manager Building Assets						
Regular update bulletins through the OSH Officer	Preventative	*Nov-20*	*Adequate*	Manager Building Assets						
Training of staff in other areas (ie Building Services)	Preventative	*Nov-20*	*Adequate*	Manager Building Assets						

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Engagement of qualified contractors	Preventative	Nov-20	Effective	Manager Building Assets							
Non-compliance with the changes to the *Bush Fire Regulations 1954* in relation to the requirement to have a fire detection person at hand on Total Fire Ban days for works near bush areas.											
Ongoing training for key staff	Preventative	Nov-20	Inadequate	Manager Operations Services							
Assistance from Shire Fire Safety staff	Preventative	Nov-20	Effective	Manager Operations Services							
Alternative work for affected works crews	Preventative	Nov-20	Effective	Manager Operations Services							
Appropriately trained fire detection person with water truck to be present	Preventative	Nov-20	Effective	Manager Operations Services							
Work on a different site on Total Fire Ban days	Preventative	Nov-20	Effective	Manager Operations Services							
Inconsistent service delivery of statutory functions, including inconsistent or incorrect information provided to customers by frontline staff.											
Formally qualified staff in the Building and Environmental Health areas are called upon	Preventative	Mar-21	Effective	Manager Building and Health							
FAQs for ARC telephone enquiries staff	Preventative	Mar-21	Effective	Manager Building and Health							
Software to track statutory functions (APS, CARS)	Preventative	Mar-21	Effective	Manager Building and Health							
Training and professional development for staff to ensure currency of knowledge	Preventative	Mar-21	Effective	Manager Building and Health							
Service inductions for all new staff	Preventative	Mar-21	Effective	Manager Building and Health							
Internal audits and self-assessments against OAG performance audit reports	Detective	Mar-21	Effective	Manager Building and Health							
Networking with colleagues in other local governments	Preventative	Mar-21	Effective	Manager Building and Health							
Operation of businesses trading unregulated and/or solely through social media - in a way as to deliberately avoid detection by regulators (e.g. Airbnb: addresses are withheld; closed Facebook group food businesses; etc.), resulting in an inability for officers to properly investigate.											
Acting on complaints	Responsive	Mar-21	Inadequate	Manager Building and Health							
Communications campaign about the need to contact and register with the Shire	Preventative	Mar-21	Inadequate	Manager Building and Health							
Errors in administration and decision-making due to capability of staff, rapid changes in legislation (complexity; workload).											
Qualified / experienced staff in Planning and Environment Services	Preventative	Mar-21	Effective	Manager Planning & Environment							
Software to track and guide statutory functions (APS, CARS)	Preventative	Mar-21	Effective	Manager Planning & Environment							
Training and ongoing professional development for staff to ensure currency of knowledge (particularly bushfire)	Preventative	Mar-21	Effective	Manager Planning & Environment							
Documented staff peer review of assessments	Detective	Mar-21	Effective	Manager Planning & Environment							
Effective and timely communication with team members	Preventative	Mar-21	Effective	Manager Planning & Environment							
Internal audits and self-assessments	Detective	Mar-21	Effective	Manager Planning & Environment							
Networking with colleagues in other local governments and attendance at industry briefings/events	Preventative	Mar-21	Effective	Manager Planning & Environment							
Flexible working arrangements within the team	Responsive	Mar-21	Effective	Manager Planning & Environment							
The extent of non-compliance with the Shire's LPS 4 is unknown, which could lead to extensive unauthorised works and irreversible environmental damage.											
The Shire passively enforces aspects of the planning framework and depends on community complaints/concerns to initiate most compliance matters	Responsive	Mar-21	Adequate	Manager Planning & Environment							
Compliance officer, on advice from the Manager of Planning, prioritises matters raised of significant non-compliance particularly on matters representing 'irreversible risks' or public safety issues	Preventative	Mar-21	Effective	Manager Planning & Environment							
Environmental conditions are captured within the workflow system and Environment staff pro-actively follow up priority environmental conditions imposed on approvals	Responsive	Mar-21	Effective	Manager Planning & Environment							
Staff available to answer enquiries / phone calls in relation to what type of works require approval	Preventative	Mar-21	Effective	Manager Planning & Environment							

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Rapid changes to strategic direction (at state or local level) could undermine the ability of Strategic Planning / Environment to deliver committed startegic projects on time and within budget/												
Prioritise State Government requests for comment on reform that relate to the Shire	Responsive	Mar-21	*Adequate*	Manager Planning & Environment								
Liaise regularly with DPLH to ensure strategic projects fulfil the state framework and expectations (obtain advice in writing where possible)	Responsive	Mar-21	*Effective*	Manager Planning & Environment								
Manage Council and community expectations and update project plans to reflect realistic and achievable targets	Preventative	Mar-21	*Effective*	Manager Planning & Environment								
Advise Council, when required, about operational limits of the Shire and when additional strategic initiatives could be pursued	Preventative	Mar-21	*Effective*	Manager Planning & Environment								
Failure to meet legislative requirements (IR, OSH, EEO etc.) may result in industrial disputation; employee disengagement and/or industrial action; penalties and adverse publicity.												
Employment related Organisational Practices, Procedures and Guidelines	Preventative	Aug-21	*Adequate*	Manager HR								
Industrial and legal advisors are engaged as required	Responsive	Aug-21	*Effective*	Manager HR								
Required employee certifications are verified and monitored	Preventative	Aug-21	*Effective*	Manager HR								
Training, including compliance and refresher training, is provided	Preventative	Aug-21	*Effective*	Manager HR								
Prfessional development is provided and supported	Preventative	Aug-21	*Effective*	Manager HR								
Compliance risk arising from withdrawl/significant reduction of MAF funding resulting in inability to fund intial and ongoing mitigation works identified as required within the Shire's Bushfire												
Maximise available MAF grant applications to ensure that large scale and ongoing treatments are maintenance and initial larger scale works	Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services								
Continuation of pre existing Mitigation program funded thrrough municipal budget	Preventative	Sep-21	*Adequate*	Manager Community Safety, Emergency Services								
Non-compliance with Educational and Care Services National Law.												
hild Care Coordinators and senior Educators hold Nominated Supervisor Certificates to provide oversight and advice in terms of compliance with the Education and Care Services National Law and Regulations (WA) 2012	Preventative	Sep-21	*Effective*	Manager Children Services								
Comprehensive Child Care specific policies and procedures reflect the National Quality Standard (NQS) and are reviewed, update and available to all Child Care staff and Family Day Care Educators.	Preventative	Sep-21	*Effective*	Manager Children Services								
Comprehensive Service Level Induction for all new Child Care staff and Educators (casual and permanent and Family Day Care Educators).	Preventative	Sep-21	*Effective*	Manager Children Services								
Utilisation of WA Education and Care Regulatory Unit (ECRU), industry networks and legal services for compliance advice and support.	Preventative	Sep-21	*Effective*	Manager Children Services								
Ongoing professional development for all Child Care Coordinators and Educators to ensure currency of knowledge of the Education and Care Services National Law and Regulations (WA) 2012, including the requirements of the NQS.	Preventative	Sep-21	*Effective*	Manager Children Services								
Child Care procedures, training and drills in place to respond to emergencies, including training in First Aid, Asthma, Anaphylaxis and Child Protection.	Preventative	Sep-21	*Effective*	Manager Children Services								
Internal audits (formal and informal) and self-assessments against NQS through Quality Improvement Plan (QIP).	Detective	Sep-21	*Effective*	Manager Children Services								
Formal External audits; Random ECRU Compliance Spot Checks, ECRU Assessment and Rating process (every 3 years) and City of Swan annual Food Audits.	Detective	Sep-21	*Effective*	Manager Children Services								
Non-compliance with Child Care Subsidy System requirements.												
Subscriptions to compliant Child Care Subsidy System (CCSS) software packages; QIKKIDS and Harmony.	Preventative	Sep-21	*Effective*	Manager Children Services								
Ongoing professional development and software update training for Child Care Finance staff.	Preventative	Sep-21	*Effective*	Manager Children Services								
Recruitment and retention of qualified and experienced Finance staff	Preventative	Sep-21	*Effective*	Manager Children Services								
Formal external audits of CCSS compliance by Department of Education, Skills and Employment (DESE)	Detective	Sep-21	*Effective*	Manager Children Services								
Non-compliance with staffing ratios of suitably qualified Child Care Educators												
Recruitment and retention of suitably qualified and experienced Educators	Preventative	Sep-21	*Effective*	Manager Children Services								
Traineeships for Certificate 3 Early Childhood Educators offered to 'grow' own Educators	Responsive	Sep-21	*Effeactive*	Manager Children Services								

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Study support offered to current Educators to upgrade qualifications.	Responsive	Sep-21	Effective	Manager Children Services								
Partnership with Educator Relief Agencies for Relief Educators	Responsive	Sep-21	Effective	Manager Children Services								
Loss of current Family Day Care Educators and/or failure to recruit new Educators												
Dedicated Family Day Care (FDC) Recruitment Officer drives recruitment of Educators using a range of media and modalities.	Preventative	Sep-21	Adequate	Manager Children Services								
FDC Coordination Unit staff provide comprehensive support to ensure Educator retention.	Responsive	Sep-21	Adequate	Manager Children Services								
Ongoing professional development and home visits support Educators be effective in their role.	Responsive	Sep-21	Effective	Manager Children Services								
Membership with FDC WA and FDC Australia ensures wider marketing exposure to attract and retain Educators	Responsive	Sep-21	Effective	Manager Children Services								
Failure to meet qualitative and quantitative funding requirements												
Dedicated service Coordinators provide oversight over all activities, gather required data and complete all reporting requirements in line with funding schedules.	Preventative	Sep-21	Effective	Manager Children Services								
Service Manager and Finance Team Leader complete funding acquittals and all required financial reporting in line with funding schedules.	Preventative	Sep-21	Effective	Manager Children Services								

	Overall Control Ratings:	Effective		
Current Actions	Due Date	Responsibility	Status of Actions	Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?		Comments
Reputation, Compliance, Financial, Property	Consequence:	Moderate	Consequence:	Constant	
	Likelihood:	Possible	Likelihood:	Constant	
	Overall Risk Ratings:	**Moderate**	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments
Comments			**Comments**			

Risk to be considered at a later stage, when State Government plans are more advanced: Introduction of full private building certification. Control should be: lobbying the Building Commission with our concerns: job losses, risk of corruption.	Meanwhile	

Document Management Processes											Jun-21

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation. This includes:
-Contact lists.
-Procedural documents, personnel files, complaints.
-Applications, proposals or documents.
-Contracts.
-Forms or requests.

Potential causes include;

Spreadsheet/database/document corruption or loss	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed
Incompatible systems	Incomplete Authorisation Trails
Lack of awareness of the State Records Act	Lack of awareness of use of network drives and folders
Historical legacies	

					Controls Assurance						
Key Controls	**Type**	**Date**	**Rating**		**Control Owner**	**Control is documented?**	**Control is understood?**	**Control is up to date?**	**Control is relevant?**	**Control data, quality & integrity have been validated?**	**Comments**
Failure to adequately capture, store, archive, retrieve, provide or dispose of records.											
Dedicated Information Management service to provide oversight and advice in terms of records management.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Compliant electronic records management system (Infohub) is in place and maintained to capture incoming and outgoing correspondence and records.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Up to date record-keeping plan which is reviewed at least every 5 years in accordance with the State Records Act.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Document security access (physical and electronic) in place.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Ongoing awareness training and education provided to staff by the Team Leader Information Management.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Documented disposal and retention schedule and processes are in place for physical records.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
Records induction for all new councillors and employees who use the records management system.	Preventative	*Mar-22*	Effective		Manager Finance & Governance						
		Overall Control Ratings:	Effective								

Current Actions			Due Date	Responsibility	Status of Issues / Actions / Treatments						Comments

Consequence Category		Risk Ratings		Rating	Has the Risk Rating Changed since the last review?						Comments
		Consequence:		*Insignificant*				*Consequence:*		Constant	
Compliance / Reputation		*Likelihood:*		*Almost Certain*				*Likelihood:*		Constant	
		Overall Risk Ratings:		**Moderate**	Risk rating trend since last review					↔	

Indicators		Type	Guidelines		Result			Better or worse than Tolerance Level?	Trend since last review?		Comments

Attachment 1 to Report 8.1

Comments	Comments	

Employment Practices	Aug-21

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).
This includes:
-Not having appropriately qualified or experienced people in the right roles.
-Insufficient staff numbers to achieve objectives.
-Breaching employee regulations.
-Discrimination, harassment & bullying in the workplace.
-Poor employee wellbeing (causing stress).
-Key person dependencies without effective succession planning in place.
-Industrial action

Potential causes include

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Controls Assurance

Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Failure to have appropriately qualified or experienced people in leadership roles to cover for leave and long term absences.										
Provide ongoing training for staff	Preventative	Nov-20	Adequate	Manager Operations Services						
Succession planning	Preventative	Nov-20	Inadequate	Manager Operations Services						
Staff rotation and multi-skilling	Preventative	Nov-20	Adequate	Manager Operations Services						
Recruitment practices	Preventative	Nov-20	Adequate	Manager Operations Services						
Inability to attract and/or retain Environmental Health and Building staff.										
Cadet program mitigates this risk, being a pathway to qualification and retention	Preventative	Mar-21	Effective	Manager Building and Health						
Professional development opportunities	Preventative	Mar-21	Effective	Manager Building and Health						
Competitive employment conditions	Preventative	Mar-21	Effective	Manager Building and Health						
Lack of strategic alignment between business priorities, approved service levels and staffing allocation.										
Key staff are actively engaged in annual integrated planning processes, including workforce planning	Preventative	Aug-21	Adequate	Manager HR						
Strategic service level reviews are undertaken biennially (major and minor IPR reviews)	Preventative	Aug-21	Adequate	Manager HR						
Multiskilling/continuous learning facilitates temporary reallocation of resources to address increased demand	Preventative	Aug-21	Adequate	Manager HR						
Individual performance planning and review undertaken twice a year	Preventative	Aug-21	Adequate	Manager HR						
Program of business process improvement through review teams eg Keep It Simple	Responsive	Aug-21	Adequate	Manager HR						
Service level reviews undertaken in line with Strategic Community Plan reviews	Preventative	Aug-21	Inadequate	Manager HR						

		Overall Control Ratings:	Adequate

Current Actions	Due Date	Responsibility	Status of Actions	Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?		Comments
	Consequence:	Moderate	Consequence:	Constant	
	Likelihood:	Possible	Likelihood:	Constant	
	Overall Risk Ratings:	Moderate	Risk rating trend since last review	↔	

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Attachment 1 to Report 8.1

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

Attachment 1 to Report 8.1

Comments	Comments	

Engagement Practices				Jun-21	

Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so. For example;
-Following up on any access & inclusion issues
-Infrastructure Projects
-Local planning initiatives
-Strategic planning initiatives
This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;

Relationship breakdowns with community groups	Short lead times
Leadership inattention to current issues	Miscommunication / poor communication
Inadequate documentation or procedures	Inadequate Regional or District Committee attendance.
Budget / funding issues	Inadequate involvement with, or support of community groups
Geographic distance	Media attention

					Controls Assurance					
Key Controls	**Type**	**Date**	**Rating**	**Control Owner**	**Control is documented?**	**Control is understood?**	**Control is up to date?**	**Control is relevant?**	**Control data, quality & integrity have been validated?**	**Comments**
Reduced trust in the Shire and its operations due to a lack of information provided to the community.										
Access to up to date Council decisions provided via meeting minutes. These are published online with hard copies available at front counter and libraries.	Responsive	Jun-21	Adequate	Manager Libraries and Community Engagement						
Communications team work with relevant service areas to develop news stories and media releases.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Monthly community update page published in the local newspaper.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Employment of qualified communications staff.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						Adopted C11.12.18)
Shire supported Residents and Ratepayers forums held on a regular basis.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Community Engagement team have established working relationships across the Shire and work to build new connections.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Process in place to ensure Shire website is kept up to date with latest information.	Preventative	Jun-21	Adequate	Manager Libraries and Community Engagement						
Shire is active in sharing information on its various social media accounts.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Timely response to media enquiries.	Responsive	Jun-21	Effective	Manager Libraries and Community Engagement						
Responding to misinformation on social media.										
Misinformation on social media is corrected where relevant.	Responsive	Jun-21	Adequate	Manager Libraries and Community Engagement						
Shire is active in sharing information on its various social media accounts.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Communications team monitor community based social media accounts where possible.	Responsive	Jun-21	Adequate	Manager Libraries and Community Engagement						
Reduced community resilience and connection leading to an inability to self-determine and an over-reliance on the Shire and its services.										

Control	Type	Due Date	Rating	Responsibility							
Delivery of capacity building workshops in order to develop skills and abilities.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement							
Establishment and support of various advisory groups.	Preventative	Jun-21	Adequate	Manager Libraries and Community Engagement							
Facilitation of a community grants program.	Preventative	Jun-21	Adequate	Manager Libraries and Community Engagement							
Community Engagement team presence across the Shire.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement							
Shire staff to seek funding to support delivery of initiatives.	Responsive	Jun-21	Effective	Manager Libraries and Community Engagement							
Library outreach programs provided (eg to Wooroloo community and seniors services).	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement							
Variety of informing strategies developed with active community consultation.	Responsive	Jun-21	Adequate	Manager Libraries and Community Engagement							
Shire activates its Local Emergency Management Arrangements and convenes the Local Relief and Recovery Committee, as well as relevant community, environment, finance and infrastructure subcommittees in order to determine a localised and community driven response.	Responsive	Jun-21	Effective	Manager Libraries and Community Engagement							

Overall Control Ratings:	Not Rated	

Current Actions	Due Date	Responsibility	Status of Actions	Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?			Comments
Reputation	Consequence:	Not Material		Consequence:	Constant	
	Likelihood:	Not Material		Likelihood:	Constant	

Overall Risk Ratings:	Not Material	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

Attachment 1 to Report 8.1

Comments	Comments	

Environment Management				Jun-21						

Inadequate prevention, identification, enforcement and management of environmental issues.
The scope includes;
-Lack of adequate planning and management of coastal erosion issues.
-Failure to identify and effectively manage contaminated sites (including groundwater usage).
-Waste facilities (landfill / transfer stations).
-Weed & mosquito / Vector control.
-Ineffective management of water sources (reclaimed, potable)
-Illegal dumping.
-Illegal clearing / land use.

Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Prolific extractive industry (sand, limestone, etc)	Competing land use (growing population vs conservation)
Poor management of contaminated sites	Weed and pest management difficulties
Clandestine drug labs disposing of chemicals illegally	Bio-diversity hotspots
Weather events / natural disasters	Fuel or chemical spills
Climate change	Illegal firewood collection / burning / hunting
Complex legislation	

Key Controls	Type	Date	Rating	Controls Assurance						
				Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Public perception around chemical weed spraying methods										
Provide appropriate signage.	Preventative	Nov-20	**Adequate**	Manager Operations Services						
Wear appropriate PPE.	Preventative	Nov-20	**Adequate**	Manager Operations Services						
Use chemicals to manufacturer's specification and MSDS instructions.	Preventative	Nov-20	**Adequate**	Manager Operations Services						
		Overall Control Ratings:	**Adequate**							

Current Actions			Due Date	Responsibility	Status of Actions					Comments

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?						Comments
	Consequence:		Moderate				Consequence:		**Constant**	
	Likelihood:		Possible				Likelihood:		**Constant**	
Environment, Reputation, Financial	**Overall Risk Ratings:**		**Moderate**	Risk rating trend since last review					↔	

Indicators	Type	Guidelines		Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

Attachment 1 to Report 8.1

Comments	Comments	

Errors, Omissions and Delays — Jun-21

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. Examples include;
-Incorrect planning, development, building, community safety and Emergency Management advice
-Incorrect health or environmental advice
-Inconsistent messages or responses from Customer Service Staff
-Any advice that is not consistent with legislative requirements or local laws.
-Human error
-Inaccurate recording, maintenance, testing or reconciliation of data.
-Inaccurate data being used for management decision-making and reporting.
-Delays in service to customers
This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Potential causes include;

Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Poor use of check sheets / FAQ's	Lack of understanding
Unrealistic expectations from community, council or management	Health issues
Poor internal communication between teams	Historical decisions / advice
Disconnect between financial receipting and systems	Complex legislation
Changes to legislation	

						Controls Assurance				
Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
		Overall Control Ratings:	Not Rated							

Current Actions		Due Date	Responsibility	Status of Actions						Comments

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?						Comments
Reputation / Compliance	Consequence:		Not Material					Consequence:	Constant	
	Likelihood:		Not Material					Likelihood:	Constant	
	Overall Risk Ratings:		Not Material	Risk rating trend since last review					↔	

Indicators	Type	Guidelines		Result		Better or worse than Tolerance Level?	Trend since last review?	Comments

Comments	Comments	

External Theft and Fraud (inc. Cyber Crime)			Jul-21			

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic), for the purposes of;
-Fraud: benefit or gain by deceit
-Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems
-Theft: stealing of data, assets or information

Potential causes include;

Inadequate security of equipment / supplies / cash	Inadequate provision for patrons belongings
Robbery	Lack of Supervision
Scam Invoices	Collusion with internal staff
Cyber crime	

Key Controls	Type	Date	Rating	Controls Assurance					
				Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Falling victim to external fraud (e.g. phishing scam)										
Written requests to change bank account details for suppliers and employees are confirmed via a telephone call to the supplier or employee to an existing phone number according to the Shire's records.	Preventative	Mar-22	Effective	Manager Finance and Governance						
On-line training cyber security training and testing provided to all staff.	Preventative	Apr-22	Effective	Manager Finance and Governance						
Audit Trail of all changes to Employee records is independently checked on a fortnightly basis.	Preventative	May-22	Adequate	Manager Finance and Governance						
Falling victim to internal fraud										
Segregation of purchasing requisitions and approval process.	Preventative	Mar-22	Effective	Manager Finance and Governance						
New supplier details verification process.	Preventative	Mar-22	Adequate	Manager Finance and Governance						
Segregation of payment approval process.	Preventative	Mar-22	Effective	Manager Finance and Governance						
All invoices for payment are reviewed by Finance Manager and Accountant before payment.	Preventative	Mar-22	Effective	Manager Finance and Governance						
Audit Trail of all changes to supplier records is independently checked on a weekly basis.	Detective	Mar-22	Adequate	Manager Finance and Governance						
Police clearance required from all new staff appointed to relevant positions.	Preventative	Mar-22	Adequate	Manager Finance and Governance						
Theft or damage to equipment or buildings within the Operations Centre										
Valuable equipment locked away.	Preventative	Nov-20	Adequate	Manager Operations services						
Vehicles and buildings locked.	Preventative	Nov-20	Adequate	Manager Operations services						
Security system upgrade.	Preventative	Nov-20	Inadequate	Manager Operations services						
Janitor to ensure all buildings, sheds and gates are locked at the end of each working day.	Preventative	Nov-20	Adequate	Manager Operations services						
Groups in receipt of Shire funding do not manage this funding in line with community funding policy, guidelines and agreements.										
Grant recipients required to provide detailed acquittal reports.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Dedicated Shire opfficer to manage grant programs.	Preventative	Jun-21	Effective	Manager Libraries and						
Groups in receipt of recurrent funding (via deed of agreement) required to provide KPI and financial reports at six-monthly intervals.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Manager Libraries and Community Engagement in regular contact with groups receiving recurrent funding. Dedicated review meeting also held.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

External Theft and Fraud (inc. Cyber Crime)			Jul-21							
Clear guidelines provided to groups related to grant accountability and the process related to acquittal.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Timelines for acquittal provided with Shire staff following up groups who do not meet this requirement.	Responsive	Jun-21	Effective	Manager Libraries and Community Engagement						
Review of acquittals by competent staff to ensure originally intended outcomes are achieved.	Detective	Jun-21	Effective	Manager Libraries and Community Engagement						
Failure to adequately acquit meens groups are not able to apply to future grant rounds.	Preventative	Jun-21	Effective	Manager Libraries and Community Engagement						
Malicious acts against Shire IT network and systems; cyber theft, data breaches, hacking, ransomware/crypto-attacks, network vulnerability, mailicious access or distribution of digital information, denial of service attacks, information manipulation, social engineering.										
Perimeter protection – firewalls; intrusion prevention; web browsing protection; sandboxing – to cleanse data before entering SOM network; GEO-blocking, web server protection	Preventative	Jul-21	Effective	Manager IT						
Email filtering, spam protection, virus scanning	Detective	Jul-21	Effective	Manager IT						
Internal security – network segmentation; network demarcation, mobile device management; end point protection, real time scanning, tamper protection	Preventative	Jul-21	Effective	Manager IT						
Patch management – regular manual and automatic updates to firewalls, switches, servers and software; conduct penetration testing	Preventative	Jul-21	Effective	Manager IT						
Multi-factor authentication; single sign on; complex password policy; authorisation and authentication controls for access (virtual and physical)	Preventative	Jul-21	Adequate	Manager IT						
Cyber training as part of induction; running phishing threats, follow up training; online cyber training (being developed)	Detective	Jul-21	Adequate	Manager IT						
Additional vulnerability software and services to detect weaknesses (being developed)	Detective	Jul-21	Adequate	Manager IT						
		Overall Control Ratings:	Adequate							
Current Actions		**Due Date**	**Responsibility**	**Status of Actions**						**Comments**

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?		Comments
		Consequence:	Moderate		Consequence:	Constant	
Financial / Reputation		Likelihood:	Possible		Likelihood:	Constant	
	Overall Risk Ratings:		Moderate	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

External Theft and Fraud (inc. Cyber Crime)	Jul-21	
Comments	Comments	

Management of Facilities, Venues and Events				Jun-21	

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;
-Inadequate procedures in place to manage quality or availability.
-Poor crowd control
-Ineffective signage
-Booking issues
-Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
-Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

Potential causes include;

Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)
Falsifying hiring agreements (alcohol on site / lower deposit)	Renovations
Unaccompanied minors/children	Animal Contamination
Failed chemical / health requirements	

					Controls Assurance						
Key Controls	**Type**	**Date**	**Rating**	**Control Owner**	**Control is documented?**	**Control is understood?**	**Control is up to date?**	**Control is relevant?**	**Control data, quality & integrity have been validated?**	**Comments**	
Drowning / Permanent Injury at Lake Leschenaultia											
Signage around the main beach areas warning of aquatic based dangers using both text and infographics to cater for visitors that do not read English.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Staff procedures, training and drills in place to respond to aquatice incidents.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Park staff have first aid and advanced resuscitation training	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Rescue tubes located at swimming beaches and on dam wall for use by public to assist in rescues.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Additional staff member employed on days of high attendance to monitor, supervise and respond to aquatic incidents.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Canoe/stand up paddle board (SUP) hire requires wearing of personal floatation devices.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
All canoe/SUP hirers receive safety briefing	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Underage canoe hirers have to have at least one responsible person 16yo or older in the canoe at all times.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
All canoe hire staff have first aid and advanced resiscitation training.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Shire motorised rescue boat available at all times canoe hire is open to respond to incidents.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Death / Permanent injury from bushfire at Lake Leschenaultia											
Public access to Lake Leschenaultia closed on days with Fire Danger Rating of Severe, Extreme or Catastrophic.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Public access to Lake Leschenaultia campground closed on days with Fire Danger Rating of Extreme or Catastrophic.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Communication process in place to advise potential visitors of lake closure due to Fire Danger Ratings of Severe or above.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Communication process in place to advise campers of lake campground closure due to Fire Danger Ratings of Extreme or above.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Restrictions for camp fires follow DFES fire ratings and advice from SoM Community Safety staff.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
All culverts around the lake support all firefighting appliances and enable full access around the park.	Preventative	Apr-21	Effective	Manager Recreation and Leisure							
Staff procedures, training and drills in place for emergency response and evacuation of park.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
Maintained range of emeregency exit tracks and gates around the park can be used by staff or campers to allow alternative egress in an emergency.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							
All campers have their own front gate key and emergency exit gate key to enable egress in an emergency.	Responsive	Apr-21	Effective	Manager Recreation and Leisure							

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Volunteer camp ground caretakers trained to assist with afterhours campground evacuation.	Responsive	Apr-21	Effective	Manager Recreation and Leisure						
Drowning / Permanent injury at Aquatic Centres										
Staffing levels meet the Code of Practice for the Design, Construction, Operation, Management and Maintenance of Aquatic Facilities.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
All aquatic staff have current qualifications required for their position.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Effective procedures and regular training provided for staff.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Competent, effective supervision and emergency response by staff.	Responsive	Apr-21	Effective	Manager Recreation and Leisure						
Pool water is maintained to the required health regulation standards.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Facility lighting meets the required lighting standards for low light use.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Pool surrounds maintained to minimise aquatic incidents (slips, trips, falls into water).	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Pool Rules in place and policed (eg children under 5yo need a parent/guardian in the water with them; no dnagerous behaviour on pool deck etc.).	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Comprehensive Aquatic Facility Operation Manual maintained and updated annually.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Annual operational safety review by Royal Lifesaving Society WA Branch and recommendations followed.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Aquatic staff undertake emergency drills throughout the season.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
In-term and VacSwim emergency drills at the start of each program.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Signed agreement with Dept of Education mandates supervision levels and processes for In-term and VacSwim programs.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Shire ensures schools attending the centre have the required supervision levels and processes in place.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
All emergency response equipment serviced and maintained as required by Code of Practice.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Death / Permanent injury from chemical exposure at Aquatic Centres										
All aquatic staff have current qualifications for the handling and use of chemicals at aquatic centres.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Regular staff training and drills in place for competent, effective handling and use of chemicals.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Required staffing levels in place when handling selected chemicals.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Protective equipment serviced regularly and in good working order.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Automated chemical dosing systems used and serviced regularly.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Automated chemical shutdown systems and alarms in place, maintained and serviced regularly.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Storage regulations and practices in place and strictly adhered to.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Suppliers certified to supply and handle chemicals.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Chemical storage and use audited by Dept of Mines, Industry Regulation and Safety; recommendations followed.	Detective	Apr-21	Effective	Manager Recreation and Leisure						
Chemical handling and storage forms part of the annual Royal Life Saving Society WA Branch review; recommendations followed.	Detective	Apr-21	Effective	Manager Recreation and Leisure						
Appropriate choice of sanitation chemical system used at Bilgoman (chlorine gas) and Mt Helena (sodium hypochlorite).	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Appropriate storage location of chemicals at Bilgoman (next to vacant land) and Mt Helena (furthest point from school grounds).	Preventative	Apr-21	Effective	Manager Recreation and Leisure						
Death / Permanent injury at Hudman Reserve Quarry										
Access roads locked with Shire padlocks.	Preventative	Apr-21	Adequate	Manager Recreation and Leisure						
Warning signs for predestrians located in quarry area.	Preventative	Apr-21	Effective	Manager Recreation and Leisure						

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Appropriate number and location of warning signs.	Preventative	Apr-21	Inadequate	Manager Recreation and Leisure						
Fencing along to of quarry faces to protect from falls.	Preventative	Apr-21	Inadequate	Manager Recreation and Leisure						
Fancing at base of quarry faces to create safety zone.	Preventative	Apr-21	Inadequate	Manager Recreation and Leisure						
Undertake engineering works to make faces of quarries safe for use.	Preventative	Apr-21	Inadequate	Manager Recreation and Leisure						
Rescond manageent order and return quarry to State Government.	Preventative	Apr-21	Inadequate	Manager Recreation and Leisure						

	Overall Control Ratings:	Effective	

Current Actions		Due Date	Responsibility	Status of Actions	Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?		Comments
Reputation	Consequence:	Extreme	Consequence:	Constant	
	Likelihood:	Possible	Likelihood:	Constant	
	Overall Risk Ratings:	High	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Comments	Comments	

IT, Communication Systems and Infrastructure				Jul-21	

Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.
Examples include failures or disruptions caused by:
-Hardware or software
-Networks
-Failures of IT Vendors
This also includes where poor governance results in the breakdown of IT maintenance such as;
-Configuration management
-Performance monitoring

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;

Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Incompatibility between operating systems	Vulnerability to user error
Cyber crime and viruses	Failure of vendor
Turnover of system administration support	Equipment purchases without input from IT department
Software vulnerability	

					Controls Assurance						
Key Controls	**Type**	**Date**	**Rating**		**Control Owner**	**Control is documented?**	**Control is understood?**	**Control is up to date?**	**Control is relevant?**	**Control data, quality & integrity have been validated?**	**Comments**
Loss of internet access, loss of connectivity to locations on the network and between internal network devices due to damage or severance of Shire owned fibre optics infrastructure.											
Redundant "meshed" network – SD-WAN (software defined wide area network) enabling rerouting	Preventative	Jul-21	Effective		Manager IT						
Redundant backbone from provider – using NBN across all locations except Lake Leschenaultia	Preventative	Jul-21	Effective		Manager IT						
Failover (back up or plan B) to NBN – WAN connections can be used for connectivity in the instance Shire-owned fibre optics fails	Responsive	Jul-21	Effective		Manager IT						
4G backup on standby for WAN sites to internet; Spare WAN site firewall	Responsive	Jul-21	Effective		Manager IT						
Redundant firewalls in High Availability mode	Preventative	Jul-21	Effective		Manager IT						
Redundant phone system servers (Call Managers) at Depot and Admin	Preventative	Jul-21	Effective		Manager IT						
Failover to after-hour call facilities (Insight) from the exchange if phone system fails	Responsive	Jul-21	Effective		Manager IT						
Server rooms at Depot, Admin and other sites under threat of physical damage, loss of power and hardware failures (UPSs, switches, chassis, servers, air conditioning, workstations, printers, phones, projectors, CCTVs etc.)											
Redundant server rooms at Depot and Admin - virtualised	Preventative	Jul-21	Effective		Manager IT						
Generators and extended batteries for UPSs. Airconditioner alerts	Preventative	Jul-21	Effective		Manager IT						
Formal IT infrastructure replacement program – all hardware are within support and maintenance, licensed and current	Preventative	Jul-21	Effective		Manager IT						
Disaster Recovery Plan current, tested and updated	Preventative	Jul-21	Effective		Manager IT						
Entire network has 24/7 automated monitoring	Preventative	Jul-21	Effective		Manager IT						
Rigorous backup program – 4 hourly snapshots, nightly to disk, twice weekly to tape and monthly tapes stored offsite for 3 years	Preventative	Jul-21	Effective		Manager IT						
Physical access controlled via Proxicard	Preventative	Jul-21	Adequate		Manager IT						
Lack of planning, IT governance and alignment to the business creates disparity between IT and the business, loss of confidence and loss of ability to support the business											
Develop and maintain policies, procedures and practices – internal to IT and for the business.	Preventative	Jul-21	Adequate		Manager IT						
Five yearly update ICT strategy in keeping with Strategic Community Plan	Preventative	Jul-21	Effective		Manager IT						

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

IT, Communication Systems and Infrastructure			Jul-21							
Annual update and modify IT roadmap to meet business changes and maintain alignment	Responsive	Jul-21	Adequate	Manager IT						
Keep current through training and R&D for changes to technologies, services and standards.	Preventative	Jul-21	Adequate	Manager IT						
Poor quality software and business system products do not meet business needs. Old technologies pose cyber vulnerabilities and lack of modern methods reduces productivity and requires more support. Poor support and services from vendors. Software as a service hard to ensure good governance or IT prractices. Risk of unlicensed or obsolete software. This includes operating systems (Microsoft Windows, Office Suite); off the shelf packages and applications; internally developed (bespoke) systems and software as a service applications										
Maintain product replacement cycles – upgrading operating systems, applications and packages	Preventative	Jul-21	Effective	Manager IT						
Review packages and systems to ensure service efficiency and relevance	Preventative	Jul-21	Adequate	Manager IT						
SAAS – ensure contracts and established IT controls are met and demonstrated – e.g. DR exercises, security and patch management in place and current. Examples: LITMOS, POS, Website, Qikkids, Spydus etc.	Preventative	Jul-21	Inadequate	Manager IT						
Restrict end user ability to install software	Preventative	Jul-21	Effective	Manager IT						
Ensure all products are within support and licenced	Preventative	Jul-21	Effective	Manager IT						
Use of external IT providers										
Reduce increased dependency of support through increased internal IT capability. Improve internal capabilities so less reliance on external vendors	Preventative	Jul-21	Effective	Manager IT						
Redundancy, regular back up, patch management	Preventative	Jul-21	Effective	Manager IT						
Licensing, support and maintenance renewals	Preventative	Jul-21	Effective	Manager IT						
Systems current and within support – no legacy systems	Preventative	Jul-21	Adequate	Manager IT						
Contracts in place – to include exit clauses, potential liability, advice when change of ownership	Preventative	Jul-21	Adequate	Manager IT						
Test market at end of contract (except sole suppliers)	Responsive	Jul-21	Adequate	Manager IT						

		Overall Control Ratings:	Adequate			

Current Actions	Due Date	Responsibility	Status of Actions	Comments
Implement automatic shutdown of all network machines at 1am or 3 am to ensure all updates and patches are regularly installed.	Aug-21	Manager IT		
Limit unsupervised access to server room to IT staff only.	Aug-21	Manager IT		
Use Compliance Criteria in RFQs and RFTs to specify that suppliers agree with our IT security requirements.	Aug-21	Manager IT		

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?		Comments
Service disruption; Property		Consequence:	Moderate		Consequence: Constant	
		Likelihood:	Possible		Likelihood: Constant	
	Overall Risk Ratings:		Moderate	Risk rating trend since last review	↔	

Indicators	Type	Guidelines		Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

IT, Communication Systems and Infrastructure	Jul-21	
Comments	Comments	

Misconduct				Aug-21							

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:
-Relevant authorisations not obtained.
-Distributing confidential information.
-Accessing systems and / or applications without correct authority to do so.
-Misrepresenting data in reports.
-Theft by an employee
-Inappropriate use of plant, equipment or machinery
-Inappropriate use of social media.
-Inappropriate behaviour at work.
-Purposeful sabotage
This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

Potential causes include;

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Disgruntled employees	Sharing of confidential information
Lack of internal checks	Low level of Supervisor or Management oversight
Covering up poor work performance	Believe they'll get away with it
Poor enforcement of policies and procedures	Undue influence from Manager / Councillor
Information leaked to Tenderers during the Tender process	Poor work culture
Insubordination	By-passing established administrative procedures

Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Controls Assurance										
Groups in receipt of Shire funding do not manage this funding in line with community funding policy, guidelines and agreements.										
OP-19 Recruitment, Selection and Appointment - pre-employment screening	Preventative	*Aug-21*	*Effective*	**Manager HR**						
OP-03 Induction and Onboarding	Preventative	*Aug-21*	*Effective*	**Manager HR**						
HR-16 Guidelines - Employee Engagement	Preventative	*Aug-21*	*Effective*	**Manager HR**						
OP-13 Performance Management Framework and supporting practices, procedures and guidelines	Preventative	*Aug-21*	*Effective*	**Manager HR**						
Policies OR-12 Code of Conduct and HR-01 EEO and Anti-Bullying	Preventative	*Aug-21*	*Effective*	**Manager HR**						
Employees, supervisors and managers receive regular training and awareness raising	Preventative	*Aug-21*	*Effective*	**Manager HR**						
Internal auditing of key processes	Responsive	*Aug-21*	*Effective*	**Manager HR**						
Independent investigators appointed when required	Detective	*Aug-21*	*Effective*	**Manager HR**						
Recruitment processes include police clearnace etc.	Preventative	*Aug-21*	*Effective*	**Manager HR**						
		Overall Control Ratings:	*Effective*							

Current Actions			Due Date	Responsibility	Status of Actions					Comments

Consequence Category	Risk Ratings	Rating	Has the Risk Rating Changed since the last review?		Comments
Reputation / Finance	*Consequence:*	*Not Material*	*Consequence:*	**Constant**	
	Likelihood:	*Not Material*	*Likelihood:*	**Constant**	
	Overall Risk Ratings:	*Not Material*	Risk rating trend since last review	↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance	Trend since last review?	Comments

Attachment 1 to Report 8.1

Attachment 1 to Report 8.1

	Comments	

Project / Change Management			Jun-21							

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes. This includes:
-Inadequate change management framework to manage and monitor change activities.
-Inadequate understanding of the impact of project change on the business.
-Failures in the transition of projects into standard operations.
-Failure to implement new systems
-Inadequate handover process
This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include;

Lack of communication and consultation	Excessive number of projects
Lack of investment	Inadequate monitoring and review
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	Lack of project methodology knowledge and reporting requirements
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment / materials
External consultants underquoting on costs	

Key Controls	Type	Date	Rating	Controls Assurance						
				Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
Lack of appropriate forward planning and/or inadequate resourcing for new and renewal capital works resulting in inappropriate budget allocations or unexpected additional work requirements.										
Maintain annual supplier contracts for specialist services (civil design, engineering surveys, pavement testing, pipe video surveys, utility investigation).	Preventative	*Nov-20*	*Inadequate*	Manager Design Services						
Annual review and update of project scope and cost in the future capital works program.	Preventative	*Nov-20*	*Effective*	Manager Design Services						
Stakeholder meetings and consultation on facility requirements.	Preventative	*Nov-20*	*Adequate*	Manager Design Services						
Project status reporting to ELT and Council	Preventative	*Nov-20*	*Effective*	Manager Design						
Recruitment and ongoing training of experienced technical staff.	Preventative	*Nov-20*	*Adequate*	Manager Design Services						
Review of LTFP, CBP and 10yr capital works program as part of the annual budget process.	Preventative	*Nov-20*	*Effective*	Manager Design Services						
		Overall Control Ratings:	*Adequate*							

Current Actions		Due Date	Responsibility	Status of Actions						Comments

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?			Comments
Financial / Reputational / Health	*Consequence:*		*Moderate*		*Consequence:*	**Constant**	
	Likelihood:		*Possible*		*Likelihood:*	**Constant**	
	Overall Risk Ratings:		*Moderate*	Risk rating trend since last review		↔	

Indicators	Type	Guidelines		Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

Comments	Comments	

Safety and Security Practices											Aug-21

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards.
It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.

Potential causes include;

Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management
Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, contractors and/or tenants.	Inadequate organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
Inadequate supervision, training or mentoring of staff	Slow or inadequate response to notifications from public

						Controls Assurance					
Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments	
Unauthorised inadequate or unsafe modifications by tenants to leased Shire buildings											
Asbestos register and procedures.	Preventative	Nov-20	*Adequate*	Manager Building Assets							
Current and up to date lease agreements.	Preventative	Nov-20	*Effective*	Manager Building Assets							
Annual inspections of leased premises.	Preventative	Nov-20	*Effective*	Manager Building Assets							
Regular contact with lessees by Property Management Officer.	Preventative	Nov-20	*Effective*	Manager Building Assets							
Manual handling injuries											
Regular manual handling training for staff.	Preventative	Nov-20	*Adequate*	Manager Operations Services							
Regular toolbox meetings.	Preventative	Nov-20	*Adequate*	Manager Operations Services							
Tools are fit for purpose.	Preventative	Nov-20	*Adequate*	Manager Operations Services							
Written procedures.	Preventative	Nov-20	*Adequate*	Manager Operations Services							
Reporting mechanisms to improve practices.	Preventative	Nov-20	*Adequate*	Manager Operations Services							
Workers (employees, contractors and volunteers) working in isolation may be at risk of harm.											
OP-19 Recruitment, Selection and Appointment - prospective employees must meet essential position requirements	Preventative	Aug-21	*Effective*	Manager HR							
OP-03 Induction and Onboarding	Preventative	Aug-21	*Effective*	Manager HR							
OSH Procedures (OSH-04; OSH-14; OSH-26; OSH-35) and OP-18	Preventative	Aug-21	*Effective*	Manager HR							
Contractor management practices including contract specification, induction, supervision, incident reporting and investigation	Preventative	Aug-21	*Adequate*	Manager HR							
Volunteer management framework (induction, training)	Preventative	Aug-21	*Adequate*	Manager HR							
Incident reporting through OSH Committee	Detective	Aug-21	*Effective*	Manager HR							
Risk of fatality of permanent disability to VBFB members.											
Initial and ongoing training and skills refresher programme for all VBFB firefighters and leadership team	Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services							
Suite of supporting governance and standard operating procedure documents updated regularly in consultation with VBFB's	Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services							
Incident/ near miss reporting & investigation protocols in place	Responsive & Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services							
Provision of fit for purpose PPE/C to all VBFB firefighters	Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services							
Provision of suitable appliances/vehicles with crew protection equipment	Preventative	Sep-21	*Effective*	Manager Community Safety, Emergency Services							

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Having suitable chain of command to direct to direct firefighting operations.	Preventative	Sep-21	Effective	Manager Community Safety, Emergency Services					

		Overall Control Ratings:	Adequate						
Current Actions		Due Date	Responsibility	Status of Issues / Actions / Treatments				Comments	

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?				Comments
Health		Consequence:	Moderate			Consequence:	Constant	
		Likelihood:	Possible			Likelihood:	Constant	
	Overall Risk Ratings:		Moderate	Risk rating trend since last review			↔	

Indicators	Type	Guidelines	Result	Better or worse than Tolerance Level?	Trend since last review?	Comments

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Attachment 1 to Report 8.1

Comments	Comments	

Supplier and Contract Management   Jun-21

Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:
• Concentration issues (contracts awarded to one supplier)
• Vendor sustainability

Potential causes include;

Insufficient funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining
Suppliers not willing to provide quotes	Limited availability of suppliers

Controls Assurance

Key Controls	Type	Date	Rating	Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments
		Overall Control Ratings:	**Not Rated**							

Current Actions		Due Date	Responsibility	Status of Actions						Comments

Consequence Category	Risk Ratings		Rating	Has the Risk Rating Changed since the last review?						Comments
Service interruption, Financial		*Consequence:*	*Not Material*				*Consequence:*	**Constant**		
		Likelihood:	*Not Material*				*Likelihood:*	**Constant**		
		Overall Risk Ratings:	**Not Material**	Risk rating trend since last review				↔		

Indicators	Type	Guidelines		Result		Better or worse than Tolerance Level?	Trend since last review?	Comments

Comments	Comments	

8.2   Strategic Risks Review

File Code	RM.RAS 1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Garry Bird, Acting Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Strategic Risks ⇩
	2. Risk Matrix ⇩

SUMMARY

The Committee is requested to endorse the Shire's Strategic Risks Register and recommend it to Council for its consideration as an input into the forthcoming Integrated Planning and Reporting (IPR) workshops.

BACKGROUND

As part of a greater focus on risk management in general, the Executive Leadership Team has reviewed and further developed the Strategic Risks Register.

Strategic risks form part of the Corporate Business Plan (CBP) and are an input into the annual IPR workshops with Elected Members and relevant staff.

STATUTORY / LEGAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

Strategic risks have been assessed in accordance with Policy IS-01.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Not reporting strategic risks to the Audit and Risk Committee as part of an actively maintained Strategic Risk Register increases the risk and possibility of significant risks

not being identified and managed in a timely manner across all risk impact categories, more so in the current volatile environment.

Likelihood	Consequence	Rating
Likely	Major	High

Action / Strategy		
Regularly review strategic risks as part of good business practice and ensure regular reporting to the Audit and Risk Committee.		

Risk: The Strategic Risk Register is not reviewed in a timely manner to coincide with Council's consideration of the Register as part of the annual IPR process.

Likelihood	Consequence	Rating
Possible	Minor	Moderate

Action / Strategy		
The Committee reviews the Strategic Risk Register at the February meeting of the Audit and Risk Committee.		

EXTERNAL CONSULTATION

Nil

COMMENT

Over the past six months the Executive Leadership Team and relevant staff have thoroughly reviewed the Shire's strategic risks (**Attachment 1**) and aligned their treatment and controls using the same risk matrix (**Attachment 2**) that is used for operational risks.

20 strategic risks have been analysed across nine categories:

Category	Risk	Control rating
Health/Economic	Lack of planning for, responding to and recovery from COVID-19 Pandemic and global impact.	Effective
Health/Environmental	Lack of planning for responding to and recovery from major natural disasters ie. Bushfire/flooding.	Effective
Economic	Major economic shifts e.g. global financial crisis.	Effective
Political	Core changes to Local Government – e.g. rating powers, boundary changes, Local Government Act and other State Legislation.	Effective
	Inability to manage community expectations for	Adequate

	increased service levels based on capacity to deliver.	
	Breakdown of relationship with key external stakeholders eg, WALGA & State Government	Adequate
	The Strategic Community Plan (SCP) fails to meet community expectations.	Adequate
Governance	Breakdown of corporate governance controls including systems, procedures, training & reporting.	Effective
	Corporate governance failure – breakdown in relationship between councillors/ staff; Council/CEO; and between councillors.	Adequate
	Harmful effects of unregulated broadcast channels (eg. Social media) which can distort Shire communications and increase the spread of this information.	Adequate
Financial/Services	Breakdown of relationship with the EMRC	Adequate
Financial	State government changes to fees, levies, rebates, cost shifting, and unfunded service requirements.	Adequate
	Increased waste management costs due to changes in world recycling markets and state government waste initiatives.	Adequate
	Reduced external grants e.g. Roads to Recovery, Financial Assistance grants.	Adequate
	Inability to fund Asset Management Plans at appropriate service levels.	Effective
Environmental	Lack of planning for and delivery of protection and	Effective

	conservation of natural areas.	
	Inadequate local plans and response to impacts of Climate Change.	Effective
Workforce	Workforce not fit for purpose to deliver on organisational outcomes and services.	Effective
	Industrial action/staff turnover due to failure to negotiate industrial agreements.	Effective
Interruption to Services	Business interruption (systems/ people/facilities) e.g. cyber security breaches, loss of building	Effective

Whilst the purpose of this report is for the Committee to review the Shire's Strategic Risks, there is an option for the Committee to workshop these risks with relevant Shire staff should it wish to do so. However, it should be noted that scheduling a workshop may cause a delay in the timeliness of Council considering the Shire's Strategic Risks as an input into the annual IPR process.

The Shire's strategic risks register is distinct from its operational risks register. A comprehensive review of the Shire's operational risks has also been undertaken by the Executive Leadership Team. The Shire's operational risks are categorised under the following risk themes:

•   Asset Sustainability Practices

•   Business & Community Disruption

•   Failure to Fulfil Compliance Requirements (Statutory, Regulatory)

•   Document Management Processes

•   Employment Practices

•   Engagement Practices

•   Environment Management

•   Errors, Omissions and Delays

•   External Theft and Fraud (including Cyber Crime)

•   Management of Facilities, Venues and Events

•   IT, Communication Systems and Infrastructure

•   Misconduct

•   Project / Change Management

•   Safety and Security Practices

•   Supplier and Contract Management

The outcomes of the review of the Shire's operational risks will be presented to the Audit and Risk Committee at the April Committee meeting.

5.25pm Cr Beale arrived at the meeting.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION RECOMMENDATION			ARC3.05.22
Moved by	Cr McNeil	Seconded by	Cr Daw

That the Committee:-

1. reviews the Shire's Strategic Risk Register and endorses the register for Council's consideration as part of the annual Integrated Planning and Reporting process; and

2. add "Supply Chain" issue to "Interruption to Services" risk category.

CARRIED 7/0

For: Cr Daw, Mr Wilkinson, Cr Martin, Mr Wittcomb, Cr McNeil, Cr Jeans and Cr Beale

Against: Nil

5.28pm Mr Wittcomb left the meeting

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
Health / Economic	Lack of planning for, responding to and recovery from COVID-19 Pandemic and global impact	Health impact (Society) Economic impact (society) Financial impact (Shire) Environmental benefit Interruption to service People	Almost Certain	Major	Extreme	Attention Required	Federal/ State Public Health and COVID-19 Directives implemented with focus on relief and recovery requirements and critical service provision. Relief and Recovery Strategy. Sector- wide Lobbying and Advocacy OP-30 Pandemic Leave, OP-22 COVID-19 in the Workplace.	Effective
Health/Environmental	Lack of planning for responding to and recovery from major natural disasters ie. Bushfire/flooding	Financial People Natural environment Interruption to service Property Reputation	Unlikely	Extreme	High	Attention Required	State and Local Emergency Management Arrangements Business Continuity Plan Workforce Plan (skills in emergency management)	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
							LPS4 and relevant policies Bushfire mitigation service Volunteer bushfire brigades MOU with DFES Bushfire Area Access Strategy	
Economic	Major economic shifts e.g. global financial crisis	Financial impact (positive and negative) Impact on community Loss of service	Unlikely	Moderate	Moderate	Monitor	LTFP Integrated planning process	Effective
Political	Core changes to Local Government – e.g. rating powers, boundary changes, Local Government Act and other State Legislation	Financial Impact – revenue, compliance and interruption to service	Possible	Major	High	Attention Required	LTFP Sector wide Lobbying and Advocacy Strategy e.g. WALGA Input into LG Act review Actively monitor legislative changes. Stakeholder relationship management plan.	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
Political	Inability to manage community expectations for increased service levels based on capacity to deliver	Reputation	Almost Certain	Moderate	High	Attention Required	LTFP/IPR process Strategic Community Plan Community Engagement Framework Community/Business Perception Survey Resident &Ratepayer forums. Ongoing communication around existing capacity and services.	Adequate
Political	Breakdown of relationship with key external stakeholders eg, WALGA & State Government	Financial impact - revenue, interruption to service, reputation	Unlikely	Major	Moderate	Monitor	Stakeholder Relationship Management Plan, WALGA Zone Membership	Adequate

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
Financial/ Service	Breakdown of relationship with the EMRC.	Financial impact revenue. Interruption to service	Possible	Major	High	Attention Required	Membership of EMRC. Relationships with Swan and Kalamunda Stakeholder Relationship Management Pan), Waste Reserve EMRC establishment agreement	Adequate
Political	The Strategic Community Plan (SCP) fails to meet community expectations.	Reputational	Possible	Moderate	Moderate	Monitor	IPR framework Community Engagement Strategy to develop SCP	Adequate
Governance	Breakdown of corporate governance controls including systems, procedures, training & reporting	Financial, compliance, reputation	Unlikely	Extreme	High	Attention required	Systems, procedures, training and reporting. Governance Framework, Annual compliance audit return, internal and external audits, Audit and Risk Committee (ARC). External	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
							membership on ARC.	
Governance	Corporate governance failure – breakdown in relationship between councillors/ staff; Council/CEO; and between councillors	Reputation, financial, compliance	Unlikely	Moderate	Moderate	Monitor	Codes of Conduct, legislative separation of powers, regular President/CEO liaison, CEO Annual Performance Review process Induction programs for elected members and staff, Admin-01 Communications between Elected Members and Employees Complaints Management Policy	Adequate
Governance	Harmful effects of unregulated broadcast channels (eg. Social media) which can distort shire	Reputational People	Almost certain	Moderate	High	Attention Required.	Social Media plan and adequate resourcing.	

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
	communications and increase the spread of this information.						Use of Social Media OP-40 Code of Conduct Training of staff and elected members.	
Financial	State government changes to fees, levies, rebates, cost shifting, and unfunded service requirements.	Financial Impact – revenue / Expenditure Reputational	Likely	Moderate	High	Attention Required	LTFP Sector wide Lobbying and Advocacy Strategy e.g. via WALGA Communicate local impact assessment of state and federal budgets.	Adequate
Financial	Increased waste management costs due to changes in world recycling markets and state government waste initiatives	Financial impact Environmental impact	Possible	Major	High	Attention Required	LTFP Regional Waste Education Steering Group Waste Plan Participation in EMRC.	Adequate

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
Financial	Reduced external grants e.g. Roads to Recovery, Financial Assistance grants	Financial impact	Possible	Moderate	Moderate	Attention Required	LTFP/AMP/ Integrated planning process Lobbying and Advocacy e.g. via ALGA , WALGA Service Evaluation / accreditation	Adequate
Financial	Inability to fund Asset Management Plans at appropriate service levels	Financial	Unlikely	Moderate	Moderate	Monitor	LTFP/ Integrated planning Rigour of Council prioritisation Rigour of project management Asset Management Plans	Effective
Environmental	Lack of planning for and delivery of protection and conservation of natural areas	Financial Natural Environment Property Reputation	Possible	Moderate	Moderate	Monitor	LPS4 Development of Local Biodiversity Strategy Friends Group Strategy Eastern Region Catchment Management Program	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
							Landcare and verge control services	
Environmental	Inadequate local plans and response to impacts of Climate Change	Environment People Financial	Likely	Major	High	Attention required	Local Climate Change Adaptation Action Plan Regional Climate Change Adaptation Action Plan LPS4 Drainage capacity program Annual reporting on the Energy Emissions Reduction Strategy, Environmental Sustainability Policy. Climate Emergency Declaration	Effective
Workforce	Workforce not fit for purpose to deliver on organisational outcomes and services	People Financial Interruption of service	Unlikely	Moderate	Moderate	Monitor	Regular Service Reviews Workforce Plan/Planning	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

20/21-23/24 CBP Strategic Risk

Risk Category	Risk Description	Key Risk Consequences	Risk Likelihood	Risk Consequence	Risk Rating	Risk Tolerance	Key Risk Control(s)	Control Rating (Effective, Adequate, Inadequate)
							Integrated Planning process	
Workforce	Industrial action/ staff turnover due to failure to negotiate industrial agreements	Financial impact, interruption to service, reputation	Unlikely	Major	Moderate	Monitor	LTFP Workforce Plan (WFP) Engage IR support Fair Work Commission.	Effective
Interruption to Services	Business interruption (systems/ people/ facilities) e.g. cyber security breaches, loss of building	People Interruption to service	Possible	Moderate	Moderate	Monitor	Business Continuity Plan Insurance, Annual reviews Asset Management Plan Local Emergency Management resources ITC Systems & Controls	Effective

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

Risk Assessment and Acceptance Criteria

MEASURES OF CONSEQUENCE

RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION (Social / Community)	COMPLIANCE	PROPERTY (Plant, Equipment, Buildings)	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT TIME	PROJECT COST
Insignificant (1)	Near-Miss	No material service interruption. Less than 1 hour	Unsubstantiated, localised low impact on community trust, low profile or no media item	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact managed by on site response	Less than $10,000	Exceeds deadline by 5% of project timeline	Exceeds project budget by 2%
Minor (2)	First Aid Treatment	Short term temporary interruption – backlog cleared < 1 day	Substantiated, localised impact on community trust or low media item	Some temporary non compliances	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	$10,000 - $100,000	Exceeds deadline by 10% of project timeline	Exceeds project budget by 5%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Short term non-compliance but with significant regulatory requirements imposed	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	$100,001 to $350,000	Exceeds deadline by 15% of project timeline	Exceeds project budget by 7.5%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional resources; performance affected < 1 month	Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties to Shire / Officers	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	$350 000 to $2.0M	Exceeds deadline by 20% of project timeline	Exceeds project budget by 15%
Extreme (5)	Fatality, permanent disability	Indeterminate prolonged interruption of services non- performance > 1 month	Substantiated, public embarrassment, widespread loss of community trust, high widespread multiple media profile, third party actions	Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire / Officers	Extensive damage requiring prolonged period of restitution. Complete loss of plant, equipment & building	Uncontained, irreversible impact	>$2.0M	Exceeds deadline by 25% of project timeline	Exceeds project budget by 20%

MEASURES OF LIKELIHOOD

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

RISK MATRIX

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

17.05.2022 AUDIT AND RISK COMMITTEE CONFIRMED MINUTES

RISK ACCEPTANCE

Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Supervisor / Team Leader
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Service Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Executive Leadership Team
EXTREME (17-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

EXISTING CONTROL RATINGS

Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
Adequate	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
Inadequate	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.

9.0   URGENT BUSINESS (LATE REPORTS)

Nil

10.0   CONFIDENTIAL REPORTS

5.30pm   Meeting Closed to Public

The Local Government Act 1995, Part 5, Section 5.23 states in part:

(2)   If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —

(a)   a matter affecting an employee or employees; and

(b)   the personal affairs of any person; and

(c)   a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and

(d)   legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and

(e)   a matter that if disclosed, would reveal —

(i)   a trade secret; or

(ii)   information that has a commercial value to a person; or

(iii)   information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and

(f)   a matter that if disclosed, could be reasonably expected to —

(i)   impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or

(ii)   endanger the security of the local government's property; or

(iii)   prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and

(g)   information which is the subject of a direction given under section 23(1a) of the *Parliamentary Commissioner Act 1971*; and

(h)   such other matters as may be prescribed.

COMMITTEE DECISION RECOMMENDATION		ARC4.05.22	
Moved by	Cr McNeil	Seconded by	Cr Martin

That Council Closes the meeting to members of the public, in accordance with *s5.23(2) of the Local Government Act 1995*, in order to consider the confidential reports as detailed below:

10.1   Office of the Auditor General - Cyber Security Audit

Item 10.1 is considered confidential in accordance with the Local Government Act 1995 section 5.23(2) (f(ii)) as it contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.

CARRIED 6/0

For: Cr Daw, Mr Wilkinson, Cr Martin, Cr McNeil, Cr Jeans and Cr Beale

Against: Nil

5.32pm Mr Wittcomb returned to the meeting room.

10.1   Office of the Auditor General - Cyber Security Audit

File Code	IT.SEC 1
Author	Elizabeth Nicholls, Governance Co-ordinator
Senior Employee	Garry Bird, Acting Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Office of Auditor General Report - Cyber Security in Local Government 2. CONFIDENTIAL - Cyber Security Audit - Management Letter

COMMITTEE DECISION RECOMMENDATION			ARC5.05.22
Moved by	Cr McNeil	Seconded by	Cr Beale

That the Committee notes the Western Australian Auditor General's Report – Cyber Security in Local Government and the Findings Identified during the Cyber Security Audit.

CARRIED 7/0

For: Cr Daw, Mr Wilkinson, Cr Martin, Mr Wittcomb, Cr McNeil, Cr Jeans and Cr Beale

Against: Nil

5.43pm   Meeting Opened to Public

COMMITTEE DECISION RECOMMENDATION		ARC6.05.22	
Moved by	Cr McNeil	Seconded by	Cr Daw

That the meeting again be opened to the public.

CARRIED 7/0

For: Cr Daw, Mr Wilkinson, Cr Martin, Mr Wittcomb, Cr McNeil, Cr Jeans and Cr Beale

Against: Nil

11.0 CLOSING PROCEDURES

11.1 Date, Time and Place of the Next Meeting

The next Audit and Risk Committee meeting will be held on Tuesday, 28 June 2022 in the Council Chamber, 7000 Great Eastern Highway, Mundaring.

11.2 Closure of the Meeting

The Presiding Person declared the meeting closed at 5.44pm.