



Risk Management and Audit Committee (RMAC) **BUSINESS PAPER** **TUESDAY 23/02/2021**

Meeting to be held commencing 10.00am
In Council Chambers at 7 Bees Creek Road, Freds Pass

Daniel Fletcher, Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



RMAC AGENDA

LITCHFIELD COUNCIL RMAC MEETING

Notice of Meeting

to be held in the Council Chambers, Litchfield
on Tuesday, 23 February 2021 at 10.00am

Daniel Fletcher
Chief Executive Officer

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1. Opening of meeting

2. Apologies and Leaves of Absence

3. Disclosure of Interests

Any member of the RMAC who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the RMAC meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

4. Confirmation of Minutes

THAT the full minutes, including confidential, of the Risk Management and Internal Audit Committee Meetings held Thursday 22 October 2020, 5 pages, and Tuesday 27 October 2020, 2 pages, be confirmed.

Minutes have been distributed under separate cover and are publicly available on Council's website <http://www.litchfield.nt.gov.au/council/committees> or in hard copy by request.

5. Business Arising from the minutes

THAT Council receives and notes the Action Sheet.

Meeting Date	Agenda Item & Resolution	Status
01/09/2020	Item 8.4 Risk Register THAT RMAC: <ol style="list-style-type: none"> 1. Note the updated strategic risk register; and 2. Note the completed actions in the Risk Dashboard of the Strategic Risk Register, which will be removed from the action list with controls to be added where required. 	Item 2. Completed - see updated risk register, report 8.8 of this agenda
01/09/2020	Item 10.1 Litchfield Council Cyber Crime Incident – May 2020 THAT RMAC: <ol style="list-style-type: none"> 1. Receive the report and note the fraud incident; 2. Note that the following preventive actions will be undertaken: <ol style="list-style-type: none"> a. the review FIN10 Fraud Protection Plan; b. the consideration of cyber liability insurance cover; c. the provision of fraud training to relevant staff on a regular basis. 	Item 2. a. Completed – See report 8.2 of this agenda b. 22/10/2020 Research and Project Officer (WHS&Risk) and Director Community and Corporate attended the JLT Public Sector Councils Cyber Webinar. 23/02/2021 JLT are in the final stages of negotiating cyber insurance cover with Chubb Cyber Insurance – see report 8.2 of this agenda. c. 22/10/2020 Training proposed through JLT – in progress. 23/02/2021 Fraud training by JLT scheduled to be held at the all staff meeting on 18/02/2021.
22/10/2020	Item 8.1 ICT Security Audit THAT RMAC: <ol style="list-style-type: none"> 1. Receive the ICT Security Audit Report; and 2. Request that implementation actions from the ICT Security Audit Report be included into the risk register; 3. Request that Fourier’s forensic report from the incident be presented at the next RMAC meeting. 	Item 3. Completed – See report 8.1 of this agenda

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports



RMAC REPORT

Agenda Item Number:	8.1
Report Title:	Review of FIN10 Fraud Protection Plan and Fraud Awareness Training
Author & Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	A: Draft Fraud Protection Plan FIN10

Executive Summary

The purpose of this report is to present to the Risk Management and Audit Committee (RMAC) with an update on action items from the cybercrime incident in May 2020.

Recommendation

THAT the RMAC

1. note the Fraud Awareness training scheduled to be provided to staff on the 18th of February 2021.
2. note the progress and status of setting up the cybercrime insurance protection; and
3. note and receive the proposed changes to the FIN10 Fraud Protection Plan.

Background

Considering the cybercrime incident in May 2020, Management reviewed the existing internal controls and committed to undertake actions to ensure risk towards cyber-crime incidents is mitigated and internal controls are strengthened.

Management committed to undertake the following three actions:

- a) conduct staff fraud awareness training.
- b) explore Council's insurance cover to include protection for cybercrime incidents; and
- c) update the FIN10 Fraud Protection Plan.

Council's insurer JLT Risk Solutions Pty. Ltd. (JLT) has been engaged to provide fraud awareness training scheduled on the 18th of February 2021.

Management through JLT have entered negotiations with Chubb Cyber Insurance (Chubb) to provide cybercrime insurance. Chubb is currently assessing Council's current risk profile for cybercrime incidents, including Information Technology (IT) controls to determine the appropriate level of insurance cover. As the negotiations take its due course, it is expected Council would be provided the appropriate level of cover.

The FIN10 Fraud Protection Plan has been updated to include relevant references and best practices as per the Independent Commissioner Against Corruption's (ICAC) Fraud Management toolkit (ICAC Recommendations).

The Local Government (Accounting) Regulations 2008, section 10 (2) states:

"Without limiting sub regulation (1), the CEO must establish and maintain a plan (a fraud protection plan) to detect and prevent fraud from within and outside the council."

Considering Council's zero tolerance approach for fraud and corruption, best business practices are recommended using Independent Commissioner Against Corruption's (ICAC) Fraud Management toolkit (ICAC Recommendations).

A key proposed change in the fraud protection plan is to set up a fraud risk register in Council's Enterprise Resource Planning software, Authority. The proposed Fraud Protection Plan is scheduled to be reviewed by the Executive Leadership Team (ELT) on the 22nd of February 2021. The outcome of the review will be provided to the RMAC on the 23rd of February 2021.

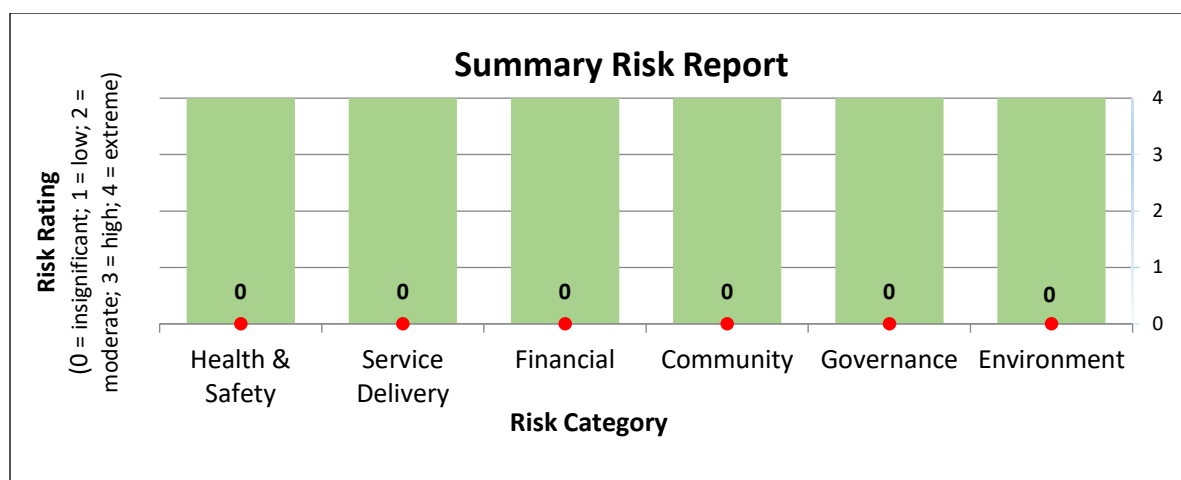
Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

The proposed changes to the FIN10 Fraud Protection Plan comply with the current and proposed regulations and changes to the Local Government Act to take effect from 1 July 2021.

Risks



Financial Implications

Nil

Community Engagement

N/A



Fraud Protection Plan **POLICY FIN10**

Name	FIN10 Fraud Protection Plan
Policy Type	Administrative
Responsible Officer	Chief Executive Officer
Approval Date	11/02/2020
Review Date	11/02/2024

1. Purpose

The Chief Executive Officer of Litchfield Council is required to establish and maintain a fraud protection plan in accordance with Section 10 (2a) of the Local Government Accounting Regulations in order to detect and prevent fraud from within and outside of Council.

2. Scope

Litchfield Council has zero tolerance for fraud. Litchfield Council seeks to meet the highest standards of honesty and probity. Council does not condone fraud, theft or corruption irrespective of whether it is attempted by employees, Elected Members, or externally by members of the public. Council as an organisation is committed to this Fraud Protection Plan designed to encourage prevention, promote detection, ensure protection, and identify a clear approach for investigation.

3. Definitions

For the purposes of this Policy, the following definitions apply:

Anti-Fraud	Anti-Fraud is defined as the measures taken within the Council to prevent, detect and investigate instances of fraud.
Fraud	<p>Fraud itself may be regarded as any deliberate act taken by one or more individuals to deceive or mislead with the objective of misappropriating assets or business usually culminating in the distortion of the Council's financial records or statements.</p> <p><u>Fraud includes obtaining (or attempting to obtain) a financial-benefit for oneself, another person or a third party. Benefit can be financial or non-financial, tangible, or intangible. Fraud requires more than carelessness, accident, or error. In these cases, an incident may be non-compliance rather than fraud.</u></p>
Theft	Theft is defined as being the dishonest appropriation of the Council's property with intent to deprive the Council of it permanently.

Fraud Protection Plan **POLICY FIN10**

Corruption	Corruption is defined as being the use of bribery, fraud or the irregular alteration and or distortion of records to conceal and/or misappropriate assets of the Council.
Whistleblowing	Whistleblowing means action by an employee to disclose malpractice in the form of irregularity, wrong-doing or serious failures of standards at work.

4. Policy Statement

Fraud Protection Plan

4.1.1 Litchfield Council's Fraud Protection Plan is based on a series of comprehensive and integrated procedures designed to prevent any attempted fraudulent or corrupt act. These cover:

- ~~Culture;~~Culture.
- ~~Prevention;~~Prevention.
- Detection and ~~Investigation;~~Investigation.
- ~~Arrangements for Members of the Public;~~
- ~~Territory/Federal Government initiatives~~
- ~~Training; and~~
- Whistle blowing.

4.1.2 Review

There is a continuous review of systems and internal controls by the ~~Department of Corporate Services~~ and a high degree of external scrutiny of the Council's business by a variety of bodies, including:

- Council's Internal ~~Risk Management and~~ Audit Committee and external ~~auditors;~~auditors.
- Northern Territory Government Departments; and
- Australian Federal Government on various grant related matters.

4.2 Fraud Strategy

4.2.1 Council officers are required to report all suspected irregularities to their ~~General Manager~~Director. Reporting is essential and:

Fraud Protection Plan **POLICY FIN10**

- Ensures the consistent treatment of information regarding fraud, theft and ~~corruption;corruption.~~
- Ensures compliance with relevant ~~legislation;legislation.~~
- Ensures all enquires are routed through Council's chain of ~~command;command.~~
- Facilitates proper investigation ~~by an experienced staff member; and; and~~
- Ensures the proper implementation of a fraud response investigation plan.

4.2.2 Depending upon the nature and anticipated extent of the allegations, the ~~Director~~ General Manager will work closely with the Chief Executive Officer and external agencies ~~such as the Office of the Commissioner for Public Interest Disclosures~~ to ensure that all allegations and evidence is properly investigated and reported upon.

4.2.3 Council's disciplinary procedures will be used where the outcome of the investigation indicates improper behaviour.

4.2.4 ~~Council will notify the Northern Territory Police where financial impropriety is discovered. Referral to the Police ensures that offenders are dealt with in accordance with the law.~~

4.2.5 ~~The Chief Executive Officer and relevant Director will be kept informed of the progress of the investigation.~~

4.3 Culture

4.3.1 Litchfield Council is committed to ensuring that its culture will continue to be one of honesty and opposition to fraud, theft and corruption. ~~There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with integrity and that Council staff and members, at all levels, will lead by example in these matters.~~

4.3.2 Council staff are positively encouraged to raise any concerns about fraud, ~~theft~~ theft, and corruption ~~that they may have on these issues where they are associated with the Council's activities.~~

4.3.3 They can do this in the knowledge that such concerns will be treated in confidence and properly investigated. Any instance must be reported to either the relevant ~~General Manager~~ Director or the Chief Executive Officer.

4.3.4 ~~In the first instance, m~~Members of the public are also encouraged to report any concerns to the Chief Executive Officer.

4.3.5 ~~Senior management are responsible for following up any allegation of fraud or corruption and will do so by immediately informing Chief Executive Officer. The Chief Executive officer will appoint A an investigating officer. will be appointed.~~

- 4.3.6 The investigating officer, ~~usually the relevant Director, will~~ will:
- 4.3.6.1 Deal promptly with the ~~matter;~~ matter.
 - 4.3.6.2 Record all evidence ~~and~~, ensure it is sound and adequately ~~supported;~~ supported.
 - 4.3.6.3 Ensure the security of all ~~evidence;~~ evidence.
 - 4.3.6.4 Contact and liaise with ~~other agencies, e.g. Police; and~~ external agencies
 - 4.3.6.5 Notify and liaise with the Chief Executive Officer.
- 4.3.7 ~~Senior Management are expected to deal swiftly and firmly with those who defraud or steal from the Council or who are corrupt. The Council should be considered as robust in dealing with financial irregularity or malpractice. There is, of course, a need to ensure that any investigation process is not misused, therefore, any incidence of raising unfounded malicious allegations may be dealt with as a disciplinary matter. Any wrong doing or malpractice outside the scope of the Policy Document should be reported to the Chief Executive Officer.~~
- 4.4 Prevention – Staff
- 4.4.1 Litchfield Council recognises that a key preventative measure in the fight against fraud, theft and corruption is to take effective steps at the recruitment stage to establish and, as far as possible, the previous record of potential staff. Temporary staff are subject to the same recruitment policies as permanent staff.
 - 4.4.2 ~~Litchfield Council recognises that the effectiveness of its Fraud Protection Plan will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation. To facilitate this, the Council has an induction program which requires General Managers to arrange for responsibilities to be highlighted and reinforced. Staff recruitment must be in accordance with approved fair selection policies and, in particular, the Council will obtain references before employment offers are made.~~
 - 4.4.3 ~~Undertake Fraud risk assessments conducted at least once every two years or if there a substantial change in the structure of the Council. The risk assessment is carried out as part of the overall Council's risk assessment process.~~
 - 4.4.3 ~~Staff of the Council are expected to adhere to established Policies and to follow the Council's Code of Conduct together with, where applicable, their Professional Institute's Code of Ethics.~~

~~4.4.4 Staff are reminded that they must operate within the Local Government Act, regarding pecuniary interests in Contracts relating to the Council or fees and rewards other than proper remuneration.~~

4.5 Prevention - Elected Members

4.5.1 Members are required to operate within:

- Council Policies;
- Council's Code of Conduct for Elected Members;
- The Local Government Act; and
- All other relevant legislation.

4.5.2 These matters are specifically brought to the attention of Elected Members in the Litchfield Council Code of Conduct for Elected Members, ~~and includes the declaration and registration with the Council's Chief Executive of potential areas of conflict between Elected Members' Council duties and responsibilities and any other areas of their personal or professional lives.~~

4.6 Systems

4.6.1 Litchfield Council has Financial Operating Procedures in place that require staff, when dealing with Council's affairs, to act in accordance with best practice.

4.6.2 The Chief Executive Officer has a statutory responsibility under the Local Government Act, associated Accounting Regulations and other legislation to ensure the proper arrangements of Council's financial affairs and has established procurement policies to guide and control the processes with respect to contracts for works, supplies and services. These documents outline the procedures and responsibilities of staff throughout the Council.

4.6.3 Litchfield Council has developed and is committed to continuous improvement of systems and procedures which incorporate efficient and effective internal ~~controls~~controls, and which include adequate separation of duties. ~~Directors-General Managers~~ have a responsibility to ensure these controls are properly maintained and documented. Their existence and appropriateness are independently monitored by the ~~Internal Risk Management and Risk Management and~~ Internal Risk Management and Audit Committee and Council's external auditors and Management.

4.7 ~~Working with other Agencies~~

~~4.7.1 Arrangements are in place and continue to be developed to encourage the exchange of information between the Council and other agencies on national and local fraud, theft and corruption activity in relation to Local Government. These include:~~

- ~~▲ Northern Territory Government; and~~
- ~~▲ Federal Government where applicable.~~

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4.7.8 Detection and Investigation

~~4.7.8.1 Council has preventative systems, particularly internal control systems within the Council, designed to provide indicators of any fraudulent activity. Despite the best efforts of financial managers and auditors, many frauds and thefts are discovered by chance or from a 'tip off'. Litchfield Council has arrangements in place to enable such information to be dealt with properly.~~

~~4.8.2 Council is working on preventative systems, particularly internal control systems within the Council, designed to provide indicators of any fraudulent activity. Generally, they should be sufficient in themselves to deter fraud. It is a fact, however, that alert and observant Council staff, Elected Members and members of the public do become aware of fraud, theft and corruption. Every opportunity is available for them to report any suspicions to the relevant officers of the Council.~~

~~4.7.3 Council staff, Elected Members and members of the public are encouraged to report all suspected irregularities, including suspected fraud, theft, or corruption to the Chief Executive Officer.~~

~~4.7.4 Where members of the public are of the opinion that raising matters with the Chief Executive Officer will be or has been ineffective, they are encouraged to contact the Independent Commissioner Against Corruption NT.~~

4.9 ~~Arrangements for Members of the Public~~

~~4.9.1 Members of the public are encouraged to report all suspected irregularities, including suspected fraud, theft or corruption to the Chief Executive Officer.~~

~~4.9.2 Where members of the public are of the opinion that raising matters with the Chief Executive Officer will be or has been ineffective, they are encouraged to contact the Northern Territory Commissioner for Public Interest Disclosures.~~

4.10 — Training

~~Litchfield Council recognises that the effectiveness of its Fraud Protection Plan will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation. To facilitate this, the Council has an induction program which requires Directors to arrange for responsibilities to be highlighted and reinforced.~~

4.11 — Whistle Blowing

~~4.11.1 Litchfield Council is aware of the difficulties and conflicts that may arise for Council staff and Elected Members who suspect a colleague of fraud, theft or corruption. It is, nevertheless, essential that all instances are reported without delay. It is incumbent on all staff and Elected Members to report instances or suspicions of fraud, theft and corruption.~~

~~4.11.2 Wherever possible all instances reported will be treated in the strictest confidence. It is the Council's intention that any person reporting a concern or incident will as far as is possible, have their identity kept confidential. It should be understood however, that it is impossible to guarantee anonymity, especially where disciplinary action or prosecution arises.~~

~~4.11.3 Council is sensitive to the potential difficulties Council staff and Elected Members may face if they report an incident and subsequently have to continue working with the individual(s) concerned. It is the Council's intention that every reasonable measure will be taken to ensure that no reprisals are taken against whistle blowers.~~

~~4.11.4 No individual will be penalised for making an allegation that is subsequently proved to be groundless, where the allegation has been made in good faith. Council will not, however, tolerate individuals making malicious, vexatious or unfounded allegations and disciplinary action may be taken against such persons.~~

5. Associated Documents

~~Litchfield Council Policies~~

~~Litchfield Council Code of Conduct for Employees~~

~~Litchfield Council Code of Conduct for Elected Members~~

GOV04 Whistleblowing

HR01 Code of Conduct for Employees

EM02 Code of Conduct for Elected Members

6. References and Legislation

Local Government Act and associated Regulations
[Independent Commissioner Against Corruption \(ICAC\)](#)

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)

8. CEO Approval

Approved by the Chief Executive Officer.

.....

Name

.....

Signature

.....

Date



RMAC REPORT

Agenda Item Number:	8.2
Report Title:	Closing Audit Report 2019-20
Author & Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	A: Merit Partners – Closing audit report 2019-20

Executive Summary

The purpose of this report is to provide the Risk Management and Audit Committee (RMAC) with the external audit management report for financial year ended 30 June 2020 and Management's responses to audit observations raised as part of the Interim and Final audit.

Recommendation

THAT the RMAC:

1. receive and note the closing audit report from Merit Partners for year ending 30 June 2020; and
2. approve Management's responses to audit observations raised by Merit Partners.

Background

Merit Partners conducted the external audit for the General-Purpose Financial Statements for Litchfield Council and the Special Purpose Financial Statements for Thorak Cemetery for financial year ending 30 June 2020.

As part of the Interim and Final audit, a total of nine new audit observations were raised which require management's responses. Attachment A provides details of management's response to each audit observations. The closing audit report have two open audit observations rated as moderate in risk rating and ten as low in risk rating.

The two moderate risk audit observations are expected to be resolved for year ending 30 June 2021. It should be noted, both moderate risk audit observations have been assessed as having immaterial impact on the financial statements.

The ten low risk audit observations will be resolved prior to the end of the financial year.

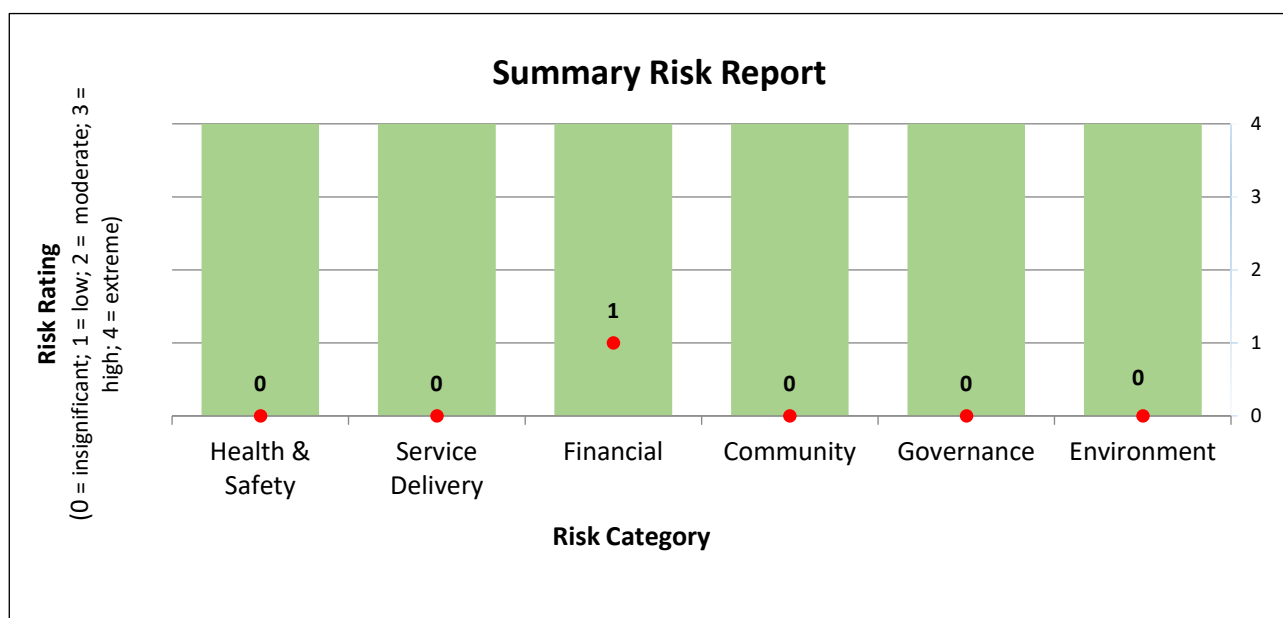
Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Complying with Council's Risk Management and Audit Committee Policy (FIN09), the closing audit report with management comments for each audit observation for 30 June 2020 has been provided.

Risks



Financial Implications









Nil

Community Engagement

Nil

Litchfield Council

**Closing Report to the Risk Management
and Audit Committee
for the year ended 30 June 2020**

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Dear Committee Members

We have completed our audit of Litchfield Council and Thorak Cemetery for the year ended 30 June 2020.

We confirm that we have issued an unqualified audit opinion on the financial statements in the form that appears in Appendix C.

This report is intended solely for the use of the Council and the Risk Management and Audit Committee, and should not be used for any other purpose nor given to any other party without our prior written consent.

We would like to thank your staff for the assistance provided to us during the engagement.

I look forward to the opportunity of discussing with you any aspects of this report or any other issues arising from our work.

If you have any queries in the meantime, please feel free to contact me on (08) 8982 1420.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Matthew Kennon', written in a cursive style.

Matthew Kennon
Director



Executive summary

Executive summary

Status of the audit	We have completed our audit of the financial reports of Litchfield Council (the "Council") and Thorak Regional Cemetery ("Thorak") for the year ended 30 June 2020. We have issued unqualified audit opinions in the form which appears in Appendix C.	Control observations	During the audit, we identified a number of observations and improvement recommendations in relation to the Council's financial processes and controls. These are highlighted within this section of the letter.
Audit differences	Adjusted audit differences have been communicated within the relevant section to this report.		
Scope and materiality	In our Audit Plan dated 24 April 2020, we communicated that our audit procedures would be performed using a materiality of \$380,000. We have reassessed this based on the actual results for the financial year and have decreased this amount to \$339,000. The threshold for reporting audit differences which impact the income statement has decreased to \$16,950. The basis of our assessment has remained at 2% of total revenue.		
Areas of audit focus	<p>In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of the Council. This report sets our perspective in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of audit focus" section of this report.</p> <p>We request that you review these and other matters set out in this report to ensure:</p> <ul style="list-style-type: none"> • There are no residual further considerations or matters that could impact these issues • You concur with the resolution of the issue • There are no further significant issues you are aware of to be considered before the financial report is finalised. <p>There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Risk Management and Audit Committee or the Council.</p>		
Focused on your future	We have highlighted the key accounting and regulatory updates which will have an impact on the Council in future periods.		

Understanding the financial statements

Understanding the financial statements

Overview of your financial results

Income statement	30 June 2020 \$'000	30 June 2019 \$'000	Movement \$'000
Rates	10,685	10,431	254
User charges	1,757	1,612	145
Grants, subsidies and contributions	3,855	4,942	(1,087)
Other income	982	1,130	(148)
Total Income	17,279	18,115	(836)
Employee costs	6,644	6,646	(2)
Materials, contracts & other expenses	7,219	7,661	(442)
Depreciation, amortisation & other expenses	13,166	12,921	245
Total Expenses	27,029	27,228	(619)
Operating Deficit	(9,750)	(9,113)	(637)
Net gain (loss) on disposal or revaluation of assets	(31)	(103)	72
Amounts received specifically for new or upgraded assets	408	4,064	(3,656)
Physical resources received free of charge	-	1,011	(1,011)
Net Deficit	(9,373)	(4,141)	(5,232)
Gain on revaluation of infrastructure, property, plant & equipment	(1,558)	-	(1,558)
Total Comprehensive Income	(10,931)	(4,141)	(6,790)

- Prior year income relates to developer contributions for 10 & 30 Secrett Road, 305 Wheewall Road and 105 Trippe Road.

- All land was revalued during the year.

- Increase mainly as a result of approved increases of 5% in residential rates and 3% in waste management charges.
- Off set slightly by payments received in advance from the prior year.

- Increase mainly as a result of \$228k in cemetery income from interment fees, which predominantly relates to pre-needs.
- This is off set partially by a \$95k decline in plan review and subdivision plan review fees.

- Overall decrease of \$4.7m in grant revenue during the year. The 2019 FY included \$4.1 from NTG for capital works and \$698k from NTG for NDRRA.

- There has been a \$167k decline in interest income following a decline in interest rates.

- Employee costs reasonably consistent with prior year.
- Slight decrease due to reduction of casual employee hours worked due to COVID-19.

- The major reason for the decrease is due to a \$867k decline in expenditure on contractors, mainly due to underspends in road maintenance operating works.

- Depreciation expense has mainly increased for buildings and roads following the full capitalisation of the Fred's Pass development.

Understanding the financial statements

Overview of your balance sheet

Balance sheet	30 June 2020 \$'000	30 June 2019 \$'000	Movement \$'000
Current assets			
Cash and cash equivalents	1,803	2,306	(503)
Trade and other receivables	2,925	3,328	(403)
Other financial assets	22,100	21,371	729
Non-current assets			
Infrastructure, property, plant and equipment	301,370	309,111	(7,741)
Other non-current assets	4,365	3,739	626
Total assets	332,563	339,815	(7,292)

- The overall cash balance, consisting of cash and cash equivalents and term deposits, has increased by \$226k from the prior year.
- This is mainly due to a cash-adjusted surplus of \$3.9m less asset and investment purchases of \$4.4m.

- The decrease is mainly as a result of a \$767k grant receivable from the Department of Infrastructure in 2019.
- This has been partially off set by a \$485k increase in rates receivables, partly caused by an increase in rates revenue.

- During the year there has been a depreciation charge of \$13.2m.
- This has been partially set off by asset additions of \$7.1m.

- The balance relates to work in progress.
- The balance has increased due to various additions of \$5.2m, partially set off through assets of \$4.6m transferred to IPPE.

Balance sheet	30 June 2020 \$'000	30 June 2019 \$'000	Movement \$'000
Current liabilities			
Trade and other payables	4,497	2,652	1,845
Borrowings	33	-	33
Provisions	605	576	29
Non-current liabilities			
Provisions	432	474	(42)
Total liabilities	5,567	3,702	1,865
Accumulated surplus	11,433	17,012	(5,579)
Asset revaluation reserves	294,302	295,860	(1,558)
Other reserves	21,261	23,281	(2,020)
Total equity	326,996	336,153	(9,157)

- The balance has mainly increased because of a contract liability for \$1.7m being recognised for grant funding where the performance obligation is yet to be satisfied. \$1.4m of this relates to capital projects where the work has yet to commence.

- The decline is as a result of a \$9.4m deficit made during the year.
- Additionally, \$2.5m was transferred to accumulated funds in respect of recognising the Cemetery land as a prior period correction.

- All land was revalued during the year, resulting in a decline to the balance.

- The decline is primarily a result of a \$3.0m decrease in the unexpended grants reserve. \$1.4m of this has been recognised a contract liability at 30 June 2020 due to changes in accounting standards.

A hand points towards a glass sphere that contains a detailed miniature of a building's interior, including rooms, corridors, and furniture. The sphere is partially transparent, and a large number of small, white, particle-like objects are shown escaping from the right side, creating a sense of dispersion or release. The background is a blurred outdoor scene with trees and a building.

Financial statement areas requiring management judgement

Financial statement areas requiring management judgement

Financial statement areas requiring management judgement \$million				
Caption	FY2020	FY2019	Explanation	Page reference
Fair value of Infrastructure, Property, Plant & Equipment	\$301m	\$309m	<p>In June 2018, the Council undertook a full review of all its fixed assets. The fair value of the Council's fixed assets was determined and approved by the Council on the basis of an independent valuation carried out by Opteon Solutions, who are certified practicing valuers.</p> <p>In June 2020, the Council obtained valuations for all of its land assets. These were performed by Valuations NT, also certified practising valuers.</p> <p>Valuation reports were reviewed to ascertain assets were valued appropriately and the methods and assumptions used by the valuers appeared sound and robust and in compliance with the Australian Accounting Standards.</p> <p>Most of the infrastructure, property, plant and equipment are valued at depreciated current replacement costs. Land is valued based on sales of similar items within surrounding areas.</p> <p>Refer also to the <i>Areas of audit focus</i> section for a detailed assessment.</p>	N7
Useful lives of assets	-	-	<p>The Council determines the useful lives and related depreciation and amortisation charges for its fixed assets and reviews them annually.</p> <p>During the 2019 financial year the Council extended the useful lives of its roads to align them with those specified in the 2018 valuation report. No such amendment to useful lives was made in 2020.</p> <p>The useful life for assets in Local Government can change to reflect the service level delivery by the Council. The reason for the review by the Council was to bring the useful lives in line with the technical expectation but also the service delivery by the Council.</p> <p>We believe the useful lives adopted by the Council are reasonable.</p>	N7
Employee Provisions	\$1.0m	\$1.1m	<p>The liability for employee benefits is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.</p> <p>In 2020 the Council engaged a third party to calculate its annual leave and long service leave provisions. We were unable to obtain a breakdown of the leave balances by employee. As such we had to perform alternative procedures based on records we retained from the prior year to gain comfort that the balances are not materially misstated at 30 June 2020.</p> <p>We did not identify any material discrepancies.</p>	N8c
Contingent liabilities and assets	\$-	\$-	<p>We have made enquires of management regarding:</p> <ul style="list-style-type: none"> Knowledge of any contingent liabilities and assets affecting the Council or other events or conditions where contingent assets or liabilities have a material effect on the financial report. 	N20

Financial statement areas requiring management judgement \$million				
Caption	FY2020	FY2019	Explanation	Page reference
			<ul style="list-style-type: none"> Knowledge of any litigations or allegations affecting the Council's financial information. We also reviewed the Council's general ledger for legal fees and reviewed the minutes of meetings. Nothing has come to our attention that warrants recognition of a contingent liability or asset.	

Areas of audit focus

Areas of audit focus

Area of focus

Going concern



Key judgements:

Budgetary information

Relevant accounting and auditing standards:

[AASB 136 Impairment of Assets](#)

[ASA 570 Going Concern](#)

Background

We reviewed the Council's financial statements including revenue streams and noted the following:

- The core revenue of the Council is from rates, user charges and statutory charges, which comprises 73% of the Council's total income.
- The Council continues to receive funds from the Commonwealth and NT Governments. These programs are generally on an annual arrangement basis and comprise about 22% of the Council's total income.

We also reviewed the Council's minutes of meetings to account for any events that could impact the viability of the Council's operations in the future.

MP perspective

Based on the audit procedures performed, we concluded that Council will continue to operate as a going concern for the next 12 months.

In addition, we discussed with management and reviewed legal expenses and relevant meeting minutes and noted that the Council does not have borrowings or pending lawsuits that may negatively impact the Council.

As at 30 June 2020, the Council has net current assets of \$21m that will be able to support its operations in the next 12 months.

2021 Planning Focus

Merit Partners will continue to review the contractual and other revenue arrangements of the Council in terms of its rates and user charges and government funding.

Areas of audit focus

Area of focus

Compliance with Australian Accounting Standards, the Local Government Act (NT), Cemetery Act and other applicable laws and regulations



Key judgements:

Business operations and statutory obligations

Relevant accounting standards:

[AASB 250 Consideration of Laws and Regulations in an Audit of Financial Report](#)

Background

We considered the requirements of applicable legislation and government policy by the review of relevant Acts, Regulations and agreements. We have also performed sufficient and relevant audit procedures over key financial requirements imposed on the Council.

MP perspective

No issues noted.

2021 Planning Focus

Merit Partners will continue to monitor and review the Council's compliance with the Australian Accounting Standards and the NT Local Government Act.

Areas of audit focus

Area of focus

Existence of Fraud



Key judgements:

Business operations and reputation

Relevant accounting standards:

[AASB 240 The Auditor's Responsibilities relating to Fraud in an Audit of Financial Report](#)

Background

We assessed the impact of fraud on the Council's operations and the effectiveness of controls in place to prevent and detect fraud.

We also understand that the Council has insurance in place to protect itself in the event of a claim.

MP perspective

We discussed the existence of fraud with the Finance Manager and reviewed the relevant meeting minutes.

No instances of fraud were noted.

In view that occurrences of fraud/theft may result in significant losses to the Council if controls in place are not effective and heighten the risk of possible damage to the Council's reputation, the Council should continue to review its fraud control policy and undertake fraud control reviews especially in times when there is an economic downturn.

Other areas of audit focus

Apart from the identification of the areas of audit focus above, below are the other key audit and accounting issues that were considered during our audit:

Other area of audit focus	Audit procedures performed
Revaluation of Infrastructure, Property, Plant and Equipment	<p>In the 2018 and current financial year we reviewed the valuation reports to assess the basis of the valuations, scope and identify any unusual matters. We also performed an assessment of management's experts who performed the revaluations. The assessment included assessing compliance with ASA 500 <i>Audit Evidence</i> paragraph 8 including the objectivity, qualifications and terms of engagement of the valuer. The amounts were then traced through to the disclosures in the financial statements.</p>
Land Under Roads	<p>During the current year we also ensured the brought forward carrying fair value of these assets were consistent with the prior year's signed financial statements. We also verified that depreciation was calculated in accordance with the useful lives of the assets assigned in the 2018 valuation report. The Council's management is of the opinion that it is not possible to attribute value sufficiently reliable to qualify for recognition, and has not recorded land under roads. The Council's election is based on AASB 1051 <i>Land Under Roads</i> paragraphs 8 and 9 which states that:</p> <p><i>"8 - An entity may elect to recognise (including continue to recognise or to recognise for the first time), subject to satisfaction of the asset recognition criteria, or not to recognise (including continue not to recognise or to derecognise) as an asset, land under roads acquired before the end of the first reporting period ending on or after 31 December 2007.</i></p> <p><i>9 - An entity shall make a final election under paragraph 8 effective as at the first day of the next reporting period following the end of the first reporting period ending on or after 31 December 2007. Any adjustments that arise from a final election that is made effective as at that first day shall be made against the opening balance of accumulated surplus (deficiency) of that next reporting period."</i></p> <p>It is noted in the Council's financial report that the land under roads is not recognised as it is not possible to reliably attribute its fair value. It is however recommended the Council considers in the future if there are practical methods of ascertaining the fair values of land under roads, especially new roads acquired in future years.</p>
Implementation of AASB 15, 16 and 1058, including the recognition of grant revenue	<p>This financial year is the first year of the implementation of three new accounting standards which are of particularly relevance to the Council.</p> <p>AASB 15 <i>Revenue from Contracts with Customers</i> and 1058 <i>Income of Not-for-Profit Entities</i> relate to the assessment and treatment of revenue.</p> <p>We have obtained a listing of all grant income amounts and completed a review of a sample of grant agreements to assess whether the Council has accounted for the income in accordance with the new accounting standards. We believe the approach adopted by the Council is reasonable.</p> <p>We also obtained and reviewed the Council's position in relation to the recognition of Revenue Received in Advance, in particular, Rates Revenue, to determine suitable application in line with the requirements of the Accounting Standards. The Council has deemed that rates received in advance are recognised as a liability during the refundable period. This is consistent with the requirements of AASB 9 <i>Financial Instruments</i>, providing the rate payer has the right to return prior to the balance date.</p>

AASB 16 *Leases* is related to the treatment of all leases and requires that a net present value calculation be completed on all leases which are captured under this standard to implement a lease liability and right of use asset into the balance sheet rather than accounting for the lease payments through the profit and loss. The Right of Use Asset and Lease Liability calculated by the Council is not material to the financial statements.

Restricted Reserves

We obtained and reviewed the Council's support over restricted cash and reserve accounts. We reviewed and tested the accuracy of the information within the accounts to relevant support. Additionally we reviewed budgets and funding agreements to ensure that balances are complete at reporting date. No issues were identified.

Audit differences

Audit differences

Summary of adjusted differences

The following table contains a list of audit adjustments we identified that have subsequently been adjusted by management:

Description	Line item	Balance sheet effect		Income statement effect	
		Dr \$	Cr \$	Dr \$	Cr \$
To recognise superannuation not included in the payroll accrual.	320 – Superannuation – Council Contribution			21,820	
	9160 – Accrued Expense		21,820		
To account for leave loading on the annual leave provision at 17.%.	322 – Annual Leave			61,951	
	9210 – Short Term Provisions Employee Benefits		61,951		
To recognise pre needs used during the year in Thorak Regional Cemetery.	8100 – Accrued Income	6,816			
	150 – Interment (pre-need)				6,816
To recognise rental income not accrued for in Thorak Regional Cemetery.	8100 – Accrued Income	6,571			
	120 – House Rent Received				6,571
To reduce the contract liability for grants recognised in 2018/19 for the NDRRA and Energy Efficiency projects.	9611 – Current Contract Liability	206,678			
	9500 – Accumulated Surplus / Deficit		206,678		
To recognise NDRRA grant returned to funder.	603 – Sundry Expenses			420,100	
	9500 – Accumulated Surplus / Deficit		420,100		
To reduce grants reserve for liabilities recognised.	9550 – Reserves	1,447,288			
	9500 – Accumulated Surplus / Deficit		1,447,288		
TOTAL ADJUSTMENTS		1,667,353	2,157,837	503,871	13,387

Summary of unadjusted differences

No unadjusted differences were noted during the course of the audit.



Assessment of control environment

Assessment of control environment

Financial controls




As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

The matters reported below are limited to those deficiencies that we identified during the final audit and that we concluded are of sufficient importance to merit being reported to you. These matters should be considered in conjunction with the matters arising from our interim audit detailed in our interim audit management letter dated 18 August 2020.

The following table provides an overview of the number of observations and risk rating we have identified (including IT controls).

	High	Moderate	Low	Total
Open at 1 July 2019	0	3	13	16
Closed during FY20	0	(2)	(12)	(14)
New points raised in FY20	0	1	9	10
Total open points as at 30 June 2020	0	2	10	12

Key:

-  A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
-  Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within 6 months.
-  Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within 3 months.

Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control. We have not identified any significant deficiencies in internal controls as it relates to the financial statements and are in the process of finalising our comments with management. Our key observations in relation to the control environment are detailed within Appendix E.

Focused on your future

Focused on your future - Business, accounting and regulatory update

	Area	Explanation	Impact on the Council
Business	Changes in the Council's Operations	There are no expected significant changes in the Council's business or operations in the foreseeable future.	Nil.
Accounting	AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard amends AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> , AASB 16 <i>Leases</i> , AASB 117 <i>Leases</i> , AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> and AASB 1058 <i>Income of Not-for-Profit Entities</i> to provide and option for not-for-profit entities to not apply fair value measurements requirements to a class or classes of right-of-use assets arising under leases with significantly below-market terms and conditions (peppercorn leases) principally to enable the entity to further its objectives. This standard also includes additional disclosure requirements to AASB 16 for entities that elect to apply the option.	The adoption of the new standard may have a financial impact on the Council's leases.
Regulatory	<i>Northern Territory Local Government Act 2019</i>	The new <i>Northern Territory Local Government Act 2019</i> was passed by the Northern Territory Parliament on 28 November 2019. Regulations to sit under the <i>Northern Territory Local Government Act 2019</i> are currently being drafted.	The Council should continue to monitor their regulators' requirements to ensure that they address the new and relevant requirements.

Appendices

A blue glass sphere, resembling a globe or a lens, is positioned in the foreground. Inside the sphere, a detailed miniature cityscape is visible, featuring various buildings, streets, and green spaces. The sphere is set against a blurred background of a real city skyline, with tall buildings and a clear blue sky. The overall image has a soft, ethereal quality.

Appendix A – Other required audit committee communications

Auditing Standards require us to report to you certain matters that are not otherwise detailed in this report.

Matter	How matter was addressed
Material uncertainties and going concern	No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt about the Council's ability to continue as a going concern for 12 months from the date of our report.
Disagreements with management	During our audit we received full cooperation from management and had no unresolved disagreements over the application of accounting principles, the scope of our audit or disclosures to be included in the financial statements.
Compliance with laws and regulations	We have not identified any material instances of non-compliance with laws and regulations.
Fraud and illegal acts	<p>We have made enquires of management regarding:</p> <ul style="list-style-type: none"> • Knowledge of any fraud or suspected fraud affecting the Council involving management, employees who have significant roles in internal control; or others where fraud could have a material effect on the financial report • Knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial information. <p>We did not become aware of any fraud or illegal acts during our audit.</p>
Expected modifications to audit report	<p>We anticipate issuing an unqualified audit report on the financial statements for the year ended 30 June 2020 subject to the satisfactory resolution of the outstanding matters detailed in this report.</p> <p>A draft copy of our audit report has been included at Appendix C.</p>
Review of Board minutes	We have completed a review of the minutes of Council meetings held during the year. Based on that review we have not identified any financial matters that would result in a significant effect on the period results that have not been reflected in the financial statements.
Independence	We confirm that we have complied with the independence rules under APES 110 <i>Code of Ethics for Professional Accountants</i> , and in our

professional judgment, the engagement team and the Firm are independent.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that the Council considers the facts of which you are aware of and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

Appendix B - Outstanding matters

There are no outstanding items at the date of this report.

Appendix C – Audit report

Independent auditor's report to the Chief Executive Officer of Litchfield Council

Report on the Audit of the Financial Report

We have audited the accompanying general purpose financial report of Litchfield Council ("the Council"), which comprises the balance sheet as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer's Statement.

In our opinion, the financial report of Litchfield Council is in accordance with the *Northern Territory Local Government Act 2008*, including:

- (a) giving a true and fair view of the financial position of Litchfield Council as at 30 June 2020 and of the Council's performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) Local Government regulations.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the *Northern Territory Local Government Act 2008* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Responsibility of the Chief Executive Officer and Those Charged with Governance for the Financial Report

The Chief Executive Officer ("CEO") of the Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2008* and for such internal control as the CEO determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying

transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive Officer and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Merit Partners

Matthew Kennon

Darwin

DARWIN

October

Appendix D – Management representation letter

XX October 2020

Matthew Kennon
Merit Partners
GPO Box 3470
DARWIN NT 0801

Dear Matthew

This representation letter is provided in connection with your audit of the financial report of Litchfield Council ('the Council') for the year ended 30 June 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial report presents fairly, in all material respects, the financial position of the Council as of 30 June 2020 and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations.

We understand the purpose of your audit is to express an opinion on our financial report in accordance with Australian Auditing Standards. We understand the audit involved an examination of the accounting system, internal control and related data, to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Financial Statements and Financial Records

1. We acknowledge, as members of the Council, our responsibility for the fair presentation of the financial report. We

believe the financial report referred to above gives a true and fair view of the financial position and financial performance of the Council in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations and is free of material misstatements, including omissions, apart from the items as disclosed to you. We have approved the financial report.

2. The significant accounting policies adopted in the preparation of the financial report are appropriately described in the financial report.

3. Each element of the financial report is properly classified, described and disclosed in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations.

4. As members of management of the Council, we believe the Council has a system of internal controls, apart from matters disclosed to you, adequate to permit the preparation of an accurate financial report in accordance with Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations that is free from material misstatement, whether due to fraud or error.

5. The financial records of the Council have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the Local Government Act and the Local Government (Accounting) Regulations have been properly kept and are up-to-date.

B. Fraud and Error

1. We acknowledge we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.

2. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial report. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial report or otherwise affect the financial reporting of the Council.

4. We believe that the effects of any unadjusted audit differences accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial report taken as a whole.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or possible noncompliance with laws and regulations whose effects should be considered when preparing the financial report.

2. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the financial report in the event of noncompliance.

D. Completeness of Information

1. We have made available to you all financial records and related data.

2. Except as disclosed to you, there are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

3. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you all information required to meet the disclosure requirements of AASB 124 *Related Party Disclosures*, in particular information relating to personally related entities for both specified directors and specified executives.

4. We have brought all uncorrected misstatements to your attention.

E. Recognition, Measurement and Disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the financial report are reasonable and appropriate in the circumstances.

2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial report.

3. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial report in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

F. Ownership and Carrying Value of Assets

1. The Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.

2. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value, apart from those that have been disclosed to you.

3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. We have no other line of credit arrangements or other arrangements involving restrictions on cash balances.

We have considered the requirements of AASB 136 *Impairment of Assets* when assessing the carrying values of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.

4. Adequate provision has been made for adjustments and losses in collection of receivables.

5. Allowances for depreciation have been adjusted for items of property, plant and equipment that have been abandoned or are otherwise unusable.

G. Liabilities and Contingencies

1. Except as disclosed to you, all material liabilities and contingencies, including leave provisions and those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial report.

2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

3. Except as disclosed to you, we have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

H. Purchase and Sales Commitments and Sales Terms

1. Losses arising from purchase and sales commitments have been properly recorded and adequately disclosed in the financial report.

2. At the year end, the Council had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Council (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).

3. All material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles have been disclosed in the financial report.

4. We have provided you with all agreements regarding sales to distributors and resellers. These agreements represent the entire arrangements and are not supplemented by other agreements either written or oral.

I. Independence

1. We are not aware of any act or omission on the part of the Council that does or may impact on your ability to comply with your independence obligations as auditor of the Council. We have brought to your attention any items which we consider may affect your ability to remain independent of the Council and we will continue to work with you to maintain the independence of the audit relationship.

J. Subsequent Events

1. There have been no events subsequent to period end which require adjustment of or disclosure in the financial report or notes thereto.

K. Economic Dependency and Going Concern

1. Note 1 to the financial report discloses all of the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, plans for further action and the feasibility of those plans.

L. Electronic Presentation of the Financial Report

1. With respect to publication of the financial report on our website, we acknowledge that:

- a) we are responsible for the electronic presentation of the financial report;
- b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version;

c) we will clearly differentiate between audited and unaudited information in the construction of the Council's web site as we understand the potential risk of misrepresentation;

d) we have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and

e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely

Daniel Fletcher

Chief Executive Officer

Appendix E – Audit observations

The following table summarises the key issues and their risk ranking.

	High	Moderate	Low
Recurring From FY18			
Useful Lives of Assets		✓	
IT Policy			✓
Raised in Audit Plan			
Internal Control Weaknesses – Receipts (Thorak)			✓
Internal Control Weaknesses – Expenses			✓
Internal Control Weaknesses – Payroll			✓
Raised at Final Audit			
Employee Leave Provisions		✓	
Leave Loading for Annual Leave			✓
Review of IT User Access			✓
Disaster Recovery Test			✓
Password Rotation			✓
Conflicts of Interest Register			✓
Cemetery Payments Received in Advance			✓

Overview of Risk Ranking System

Though we have rated each finding individually on a stand alone basis, you should also assess the collective impact of these matters, together with other findings from within your organisation

Key:



A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.







Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within 6 months.











Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within 3 months.

Disclaimer

Issues identified are only those found within the course of the audit for year ended 30 June 2020. Recommendation issues are intended solely for the use of the Council. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Council or for any purpose other than that for which it was prepared.

Area	Rating	Observation	Effect	Recommendation	Management comment
Recurring From FY19					
Useful Lives of Assets		<p>From performing a review of all assets held by the Council, we observed that the useful lives applied to a handful of assets were not in accordance with the Council's financial statements and those included in the valuation report from June 2018.</p> <p>The major reason for the discrepancy has arisen due to six items being classified as motor vehicles, which should hold a useful life of 5 – 10 years. However, management have advised that the items resemble plant and equipment, and have been incorrectly classified.</p> <p>Plant and equipment assets hold a useful life of 3 – 10 years.</p>	Assets may not be being depreciated over an appropriate period.	The Council should assess the categorisation of assets included in the asset register to ensure useful lives of assets are consistent with those proposed by the Valuer and the accounting policies currently adopted.	Management is proposing to undertake desktop revaluations on an annual basis to ensure asset useful lives, unit rates and asset categorisation is in line with valuations. We do note, the six assets in question are immaterial in nature. The range of asset lives published in the financial statements for 30 June 2020 have been amended accordingly.
IT Policy		Based on our enquiries, we understand that the Council does not have an IT policy detailing user access, system access or a disaster recovery plan.	The absence of an overarching IT policy increases the Council's risk of fraud, error and data loss.	The Council develop an IT policy covering user access levels, system changes and disaster recovery plan.	Council has a draft Business Continuity Plan in place which covers IT Business continuity. Management will develop an IT policy covering user access levels and system changes by June 2021.
Raised in Interim Management Letter					
Internal Control Weaknesses – Receipts (Thorak)		We noted during our controls testing 2 instances where GST had not been recorded correctly.	Increased risk that GST is not being correctly recorded and/or reported to the Australian Taxation Office.	We recommend that all transactions are checked to ensure that GST is correctly treated in the accounting system.	Management will conduct a review of the internal control in place in the ERP system to ensure all transactions are accounted correctly for GST by March 2021.
Internal Control Weaknesses – Expenses		<p>From a sample size of 25 samples selected as part of our testing of controls over the expense process, we noted one instance in which the audit maintenance report was not reviewed.</p> <p>We also noted during our controls testing 2 instances where purchase orders were raised after the invoice was issued.</p>	<p>The absence of review of the audit maintenance report increases the risk of fraud or error.</p> <p>By not utilising Purchase Orders correctly there is a risk that purchases may not have been authorised by an appropriate person before being made.</p>	All payment and procurement policies and procedures should be adhered to.	The first sample invoice is for a professional service review which is exempt from having three quotes and the second sample is under \$10,000 which requires one written quote.

Internal Control Weaknesses – Payroll		From a sample size of 10 samples selected as part of our testing of controls over the payroll process, we noted one instance in which the audit maintenance report was not able to be provided.	The absence of appropriate supporting documentation for transactions increases the risk of fraud or error.	Supporting documentation and an adequate audit trail should be maintained for all transactions incurred.	As a secondary check, audit maintenance reports are also checked and signed off as part of the end of month checklist.
Raised at Final Audit					
Employee Leave Provisions		In 2020 the Council engaged a third party to calculate its annual leave and long service leave provisions. We were unable to obtain a breakdown of the leave balances by employee. As such we had to perform alternative procedures based on records we retained from the prior year to gain comfort that the balances are not materially misstated at 30 June 2020. Additionally, we have observed that discounting assumptions for the long service leave provision have been applied to the total provision balance, rather than to individual employees.	The inability to provide auditors with a breakdown of the employee provisions balance reconciled to the general ledger may potentially result in a qualified audit opinion being issued in future years. Not applying discounting assumptions on an individual employee basis may materially misstate the long service leave provision due to the varying commencement dates of individual employees.	The Council should consider how it can provide a breakdown of its employee leave provisions balance for future audits. Long service leave discounting should be applied to employees on an individual basis.	Management has a break-down of individual employees reconciled to the general ledger. Discounting at an individual employee basis does not necessarily result in a materially different balance. To test this hypothesis, management undertook LSL calculations by individual employees and applied discount rates to each employee considering each employee's commencement date. The difference between both models is \$11,140 which is a 2.38% variance and is not considered material. Management have both models in place and can use either of them which will be assessed more as part of end of year procedures.
Leave Loading for Annual Leave		It was noted during our audit that leave loading was not factored into the calculation of the annual leave provision as at 30 June 2020.	Understatement of the annual leave provision.	Management should ensure leave loading is included when calculating the annual leave provision.	The existing model has been amended to have checks and balances to factor Leave loading when taking accrual for annual leave.
Review of IT User Access		There is no evidence that the Council performs a regular review of IT user access levels of its accounting software.	An absence of review of user profiles by a senior employee may result in inappropriate or outdated access levels. As a result there is an increased risk of fraud.	It is recommended that a review of user access levels be undertaken regularly (e.g. six monthly) and documented to ensure that user access reflects current user needs.	Section 10.8 of Council's Account and Policy Manual requires the Finance department to undertake review of the user access roles every quarter. This quarterly report forms part of the end of the month checklist approved by the Manager Finance.
Disaster Recovery Test		We understand the Council does not perform a disaster recovery test in relation to its financial data.	In the event of a virus, system crash or corrupted data, all data for a period could be lost.	We recommend the Council implement a procedure for performing regular disaster recovery tests for its financial data.	Council currently has in place a backup procedure for restoring data in the event of a virus or system crash. The new IT policy will include a requirement to conduct periodic tests. The first periodic test will be conducted by May 2021.

Password Rotation	 <p>During the audit we were unable to obtain an audit trail of password resets during the year by employee. We have been advised that following an internal audit conducted over IT in July 2020, the Council are tightening their IT procedures.</p> <p>However, the Finance Manager informed us that he did not receive a prompt to change his password for a period of six months. This is an excess of the Council's current requirements to enforce password rotation every month.</p>	An absence of regular enforced password changes for access to the accounting software increases the risk of fraud, theft and cyber attacks. Regular password rotation condenses the window of opportunity during which a stolen password may be valid.	Password changes to the accounting software should be enforced at regular intervals, such as six-monthly.	Council currently has monthly password resets for Litchfield Council employees. This process was temporarily suspended during the COVID-19 lockdown for a short period of time.
Conflicts of Interest Register	 <p>We understand the Council does not maintain a standing conflicts of interest register that contains a complete list of conflicts for key management personnel and Councillors.</p>	Known conflicts of interest may be incomplete, which increases the risk of improper conduct occurring.	A Register of Conflicts of Interest should be maintained for all potential conflicts for key management personnel and Councillors. The Register should be tabled at Council meetings.	Council currently has a register of interests for Councillors. Under the proposed revised Local government Regulations, Council will be required to set up a conflict of interest register for the members of the audit committee and council committee. A register of interests will also be set up for key management personnel.
Cemetery Payments Received in Advance	 <p>The Council does not regularly reconcile a listing of payments received in advance to the general ledger for income in Thorak Regional Cemetery.</p>	The balance reported in the general ledger could be misstated.	The Council should prepare a complete listing of payments received in advance in respect of cemetery income, and ensure it is reconciled to the general ledger on a regular basis.	Council has a reconciliation process in place which will be added to the monthly end of month checklist for reconciliations.



RMAC REPORT

Agenda Item Number:	8.3
Report Title:	Internal Audit Plan: Proposed changes
Author:	Rebecca Taylor, Policy & Governance Program Leader
Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	Nil

Executive Summary

The purpose of this report is to update the Risk Management and Audit Committee (RMAC) on the progress of the internal audit plan and to adjust the previously endorsed internal audit plan.

Recommendation

THAT RMAC:

1. Note the review of the Long-Term Financial Plan (LTFP) by an external audit firm;
2. Note the suggestion for inclusion in the internal audit plan the 2020/21 financial year; and
3. Support the proposed changes to the audit schedule, including:
 - a. audits scheduled for the 2020/2021 financial year be moved to 2021/2022
 - b. audits scheduled for the 2021/2022 financial year be moved to 2020/2021

Background

With the completion of the Information and Communication Technology (ICT) Security Audit (October 2020 RMAC meeting) and the Work Health and Safety Audit (May 2020 RMAC meeting), the next audits as per the internal audit plan will now be conducted. See below an overview.

Internal Audit	Year	Description	Risk Rating	Control Rating
Audit and review of Council's reserve management arrangements	20/21	Council has been managing Howard Park and Knuckys reserves since 2015 with five other reserves managed by local associations. This review will examine the reserve management arrangements and make recommendations as to the risks to Council.	Moderate	Inadequate

Audit of compliance with Roads Inspection Regime	20/21	Council has a regime of roads inspection determining intervals, level of inspection and documentation required. The audit will identify if the regime is adhered to and is appropriately mitigating risk for Council.	High	Inadequate
Records Management processes	21/22	This audit will look at the success of the implementation of the Records Management Improvement Plan. The findings of the audit will inform and provide confirmation of control ratings related to records management risks.	Moderate	Adequate
Audit of compliance with Tree Risk Management Plan	21/22	Council has resolved to develop a Tree Risk Management Plan identifying the level, intervals, and documentation of tree risk assessment for Council's open space. Development will take place in the 2018/19 financial year. The audit should identify if processes have been sufficiently established and are followed to mitigate risk to Council.	Moderate	Inadequate

It is proposed that the 2020/21 planned audits be moved to 2021/22 for the following reasons;

Council's Reserve Management Arrangements

Four of Council's reserves are managed through reserve committees with leases and funding agreements in development since 2019. Currently 3 out of the 4 reserves have signed a lease and the funding agreements have been drafted but not signed. The management of Council reserves was placed on the internal audit plan because it is a control in the risk register under RP10 – Ineffective Management of Public Facilities / Venues / Events which has an inadequate overall control rating.

It was envisioned that by 2020/21 an internal audit could be conducted to examine the management of the reserves under the existing leases and funding agreements. However, the implementation of leases and funding agreements has taken a substantial amount of time, as can be seen in report 8.6 Risk Register, of this agenda. It is proposed that this audit be moved to 2021-22 to allow the final stages of the funding agreements to be completed and implemented prior to being audited.

Roads Inspection Regime

Council's Roads Inspection Regime was developed in 2018 and remains in DRAFT form. Although Council staff do inspect roads, there is no official methodology behind the inspections and is done randomly and/or when concerns are raised. The Roads Inspection Regime is currently under review with the appointment of the Works Delivery Program Leader and is due to be finalised in early March 2021. The Roads Inspection Regime is a treatment in the risk register under P15 – Inadequate Asset Sustainability Practices which has an inadequate overall control rating. It is proposed that this audit be moved to 2021/22 to allow for the new process to be finalised and implemented prior to being audited.

It is further proposed the two audits planned for 2021/22 be conducted this year 2020/21. The records management improvement plan was implemented in 2018 and the Tree Risk Management Plan was implemented in October 2019. Both plans have been in operation for over a year and it would be appropriate timing and very informative to now carry out an audit on each.

Long-Term Financial Plan Review:

Council uses an excel based financial model to manage the long-term financial plan (LTFP). The LTFP is updated as part of budget review's and as part of the annual municipal plan. The LTFP is Council's single source point when it comes to the LTFP assumptions, with deliverables such as the key financial statements and outputs such as the Statement of Comprehensive Income, Statement of Financial Position, and the Cash Flow Statement.

The Local Government Act section 23 (1) (b) states "A municipal, regional or shire plan must contain or incorporate by reference:

- II. the council's long-term financial plan. "

The revised Local Government Act to take effect as at 1 July 2021 in section 53 (1) (d) states:

"The primary records of a council are:

- d) the council annual municipal, shire, or regional plans (including the council's annual budgets, long-term financial plans and amendments to the council's annual budgets and long-term financial plans)

Given the LTFP is used a primary document to aid in key decision making relating to Council's ten-year financial strategy, the importance of the LTFP is high. It is therefore recommended Council undertake a comprehensive review of the existing LTFP model by engaging a competent audit firm to provide assurance service to the Management and RMAC on the use of its current LTFP, highlighting key risks and opportunities to mitigate any identified risks.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This item is consistent with FIN08 Risk Management and FIN09 Risk Management and Audit Committee.

Risks



Financial Implications

Nil

Community Engagement

N/A



RMAC REPORT

Agenda Item Number:	8.4
Report Title:	Review of Purchasing Card Policy
Author & Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	A: Draft FIN12 Purchasing Card Policy – Council Members and CEO B: Draft FIN15 Purchasing Card Policy – Council Staff

Executive Summary

The purpose of this report is to provide the Risk Management and Audit Committee (RMAC) with the proposed changes to the Purchasing Card Policy FIN12 (Policy) and introducing a new Purchasing Card Policy for Council Members and the Chief Executive Officer (CEO). This is to ensure Litchfield Council (Council) is in full compliance with the revised Local Government Act to take effect as at 1 July 2021.

Recommendation

THAT the RMAC:

1. Receive and endorse for Council approval the proposed Draft FIN15 Purchasing Card Policy for Council Members and the CEO; and
2. Receive and note the proposed Draft FIN12 Purchasing Card Policy for Council Staff.

Background

Council's Purchasing Card Policy FIN12 provides guidance on allotment, managing and cancellation of Council Credit cards to staff to ensure risks of fraud and theft are appropriately mitigated. The current Purchasing Card Policy (FIN12) applies to the Chief Executive Officer (CEO) and Council staff.

Under the revised Draft Local Government (General) Regulations, the changes to the proposed Local Government Act requires Council to have two separate policies governing the use of Corporate Purchasing cards by:

- a) the Elected members and CEO; and
- b) Council staff.

The proposed changes to the Local Government (General) Regulation, section 6 (1) (e) states:

“a policy, adopted by resolution, for the responsibility for and use of council credit cards by:

- I. council members; and*
- II. the CEO*

and section 6 (1) (f) states:

“a policy made by the CEO, for the responsibility for and use of council credit cards by the council’s staff;”

Council’s current Purchasing Card Policy FIN12 is an administrative policy approved by the Executive Leadership Team (ELT). The ELT approved the changes to the Purchasing Card Policy FIN12 – Council Staff on the 8th of February 2021. These changes comply with the draft regulation to take effect as at 1 July 2021.

The Draft FIN15 Purchasing Card Policy – Council Members and CEO requires Council approval to comply with the requirements of the proposed changes to the regulation.

Following are the summary of changes to the proposed Purchasing Card Policy:

1. Scope of council’s FIN12 Purchasing Card Policy to be limited to Council Staff.
2. Introducing a new Purchasing Card Policy FIN15 for Council Members and the CEO.
3. Credit Cards to have no cash advance facilities.
4. Prohibition of linking of reward points to credit cards.
5. Explicit and mandatory compliance clause in the policy to prohibit a cardholder to share card details or Personal Identification Number (PIN) with anyone.
6. Empowers the CEO with authority to act against any cardholder for repeated breaches for missing supporting documentation.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Complying with Council’s Risk Management and Audit Committee Policy (FIN09), the closing audit report with management comments for each audit observation for 30 June 2020 has been provided.

Risks



Financial Implications

Nil

Community Engagement

Nil



Purchasing Cards Purchasing Cards – Council Staff FIN12

Name	FIN12 <u>Purchasing Cards</u> <u>Purchasing Cards – Council Staff</u>
Policy Type	Administrative
Responsible	General Manager Business Excellence
Approval Date	<u>5/12/2017</u> <u>8/02/2021</u>
Review Date	<u>4/12/2021</u> <u>17/03/2025</u>

1. Purpose

The purpose of this policy is to provide guidance on how Council purchasing cards are to be allocated, used, and administered. This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council to Council staff. Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council.

2. Scope

This policy applies to all employees who are issued with a purchasing card.

3. Definitions

For the purposes of this Policy, the following definitions apply:

Purchasing Cards	Corporate purchasing cards issued in the name of Litchfield Council.
Cardholder	Litchfield Council employee that is holder of a corporate purchasing card.

4. Policy Statement

4.1. Issuing of Purchasing Cards

- 4.1.1. Purchasing Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer. Those positions are outlined in the Financial Delegation policy.
- 4.1.2. To be issued a Purchasing Card staff will be provided with a Purchasing Card request form from Finance. The form is provided by Litchfield Council's banking service provider. Staff will be required to prove their identity with the bank issuing the Purchasing Card.
- 4.1.3. Council officers issued with Purchasing Cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of the Purchasing Card Policy in form of a signed agreement.

4.2. Credit Limit

Commented [AD1]: Does not talk about cash advances?
Do our Cards have Cash advances?

- 4.2.1. The monthly maximum credit limit for Purchasing Cards ~~its~~ set in the financial delegation's policy. The Chief Executive Officer may exercise their authority to determine, within this limit, to vary the credit limits for individual card holders.
- 4.2.2. In the case of an emergency situation, in line with the Council's disaster recovery plan, the Chief Executive Officer shall have the authority to raise credit limits for a short period of time above the maximum limit set in the financial delegation's policy. Any such instances need to be reported to Council as soon as practical.
- 4.2.3. The purchasing card is to have no cash advance facilities.
- 4.2.2.4.2.4. The purchasing card is not to be linked to any form of award points.
- 4.3. Cancellation of Purchasing Cards
- 4.3.1. Each issued Purchasing Card remains the sole property of Litchfield Council. The Chief Executive Officer may revoke the use of any Purchasing Card at any given time.
- 4.3.2. Cancellation of a Purchasing Card is necessary where the:
- Cardholder changes job function ~~that has not got appropriate authority~~which results in changes to delegated authority.
 - Employment with ~~cardholder~~Council ceases.
 - Cardholder has not adhered to set procedures and policies.
 - Misuse of Purchasing Card
 - Cardholder breaching any terms of this policy.
- 4.4. Use of Purchasing Card
- 4.4.1. Purchasing Cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be inefficient to adhere to the electronic purchase order system.
- 4.4.2. No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. ~~This includes the payment of parking fines or speeding offences even if incurred whilst on Council business.~~
- 4.4.3. All purchases on the Purchasing Card require appropriate authorisation in line with relevant Procurement and Financial Delegations policy.
- 4.4.4. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental ~~transgression~~purchase, the ~~Director of Corporate Services~~Manager Corporate Services is to be notified and the Council reimbursed immediately.
- 4.4.5. Penalties for misuse will apply as per FIN10 Fraud Protection Plan.
- 4.5. Cardholder Responsibilities
- 4.5.1. The cardholder has to ensure that the Purchasing Card is maintained in a secure manner and guarded against improper use.
- 4.5.2. All supporting documentation regarding a Purchasing Card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- 4.5.3. Reconciliation is to be completed within seven days of the date of the Purchasing Card statement being issued to the cardholder.
- 4.5.4. The cardholder must follow responsibilities outlined by the card provider.

~~4.5.5.~~ Purchasing Cards are to be returned to the [Manager Corporate Services Director of Corporate Services](#) on or before the employee's termination date with a full acquittal of expenses.

~~4.5.6.~~ The cardholder must not share the credit card details including the personal identification number (PIN) with anyone.

~~4.5.5.~~

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4.6. Purchasing Card Reconciliation Procedures

4.6.1. Purchasing Card statement accounts will be issued to the relevant cardholder monthly ~~by the Finance Officer~~. The cardholder must ~~provide finance with the following information on the statement: complete the reconciliation and provide the approved reconciliation to the Finance Officer within seven days of issuing the statement.~~

- ~~Description of purchase~~
- ~~Budget (General Ledger) allocation~~
- ~~Applicable GST amounts~~

4.6.2. All transactions on the statement must be supported by Tax invoice stating the [Supplier's name, the Supplier's Australian Business Number \(ABN\), the date of the expenditure, brief description](#) ~~type of goods purchased the expenditure, amount of goods purchased and the~~ price paid for the [expenditure and the Council's name as the purchaser](#) ~~goods~~. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.

4.6.3. If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense ~~and must state on that declaration to the effect 'all expenditure is of a business nature'.~~ [The statutory declaration can be found at https://nt.gov.au/law/processes/statutory-declarations](#) Approval of this expense is referred to the ~~Chief Executive Officer~~ [Manager Corporate Services](#) for a decision. Should approval of the expenses be denied by the ~~Chief Executive Officer~~ [Manager Corporate Services](#) recovery of the expense shall be met by the cardholder.

~~4.6.4.~~ The cardholder shall sign and date the Purchasing Card [reconciliation](#) statement with supporting documentation attached. ~~Furthermore, the immediate supervisor of supervisor of the cardholder shall give written approval of the purchases by approving the purchasing card statement. shall give written approval of the purchases by signature on the Purchasing Card statement. In the case of the Chief Executive Officer, the Mayor shall sign.~~

~~4.6.4.4.6.5.~~ If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep supporting documentation must be brought to the attention of the Chief Executive Officer who will consider for appropriate action. This could include, to issue a first and final warning to the cardholder or revoking the use of the purchasing card from the cardholder.

~~4.6.5.4.6.6.~~ A monthly report of all Purchasing Card transactions will be authorised by the Director of Corporate Services and the Chief Executive Officer as part of the monthly reporting to Council.

4.7. Disputed Transactions

- 4.7.1. Litchfield Council is responsible for paying all accounts on the monthly Purchasing Card statement and the bank processes a direct debit from the operational bank account for such.
- 4.7.2. It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. ~~Only if this process does not resolve the~~ In the event this process does not resolve the dispute, the cardholder needs to inform finance, ~~a finance team member who~~ will initiate a formal dispute process with the bank.
- 4.7.3. ~~A formal dispute process will require the cardholder to fill in a dispute form from the bank.~~ A finance staff member will facilitate the process between the staff member and the bank.
- 4.7.4. Any amounts in dispute need to be highlighted on the Purchasing Card statement and will be debited to a suspense account until resolved.

4.8. Procedures for Lost, Stolen and Damaged Cards

- 4.8.1. The loss or theft of a Purchasing Card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the ~~Director of Corporate Services~~ General Manager Business Excellence on the next working day.
- 4.8.2. Advice of a damaged Purchasing Card is to be provided to the ~~Director of Corporate Services~~ Manager Corporate Services who will arrange a replacement.

4.9. Finance Services Responsibilities

- 4.9.1. The ~~Finance Manager~~ Manager Corporate Services will ensure that the following responsibilities will be met by Finance Services:
 - Arrange issues and cancellations of Purchasing Cards
 - Maintain register of all cardholders
 - Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders
 - Process payments of Purchasing Cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
 - Arrange for all cardholders to sign the Corporate Purchasing Cardholder Agreement with application for the Purchasing Card.
 - Annual review of Purchasing Card compliance with authorised delegations
 - Assist with formal dispute process

5. Associated Documents

Litchfield Council Policies

6. References and Legislation

Local Government Act, Regulations, and Ministerial Guidelines

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
15/10/2015	Updated from old policy Code LC02
04/12/2017	Included penalties for misuse and annual review for card use and holders
27/01/2021	Updated to reflect changes as per the Local Government Act to be in effect as at 1 July 2021.

8. CEO Approval

Approved by the Chief Executive Officer.

Name	Signature	Date
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~~Purchasing Cards~~ Purchasing Cards – Elected Council Members and Chief Executive Officer

~~FIN12~~ FIN15



Name	FIN12 <u>FIN15</u> Purchasing Cards <u>Purchasing Cards – Elected Council Members and Chief Executive Officer</u>
Policy Type	Administrative <u>Council</u>
Responsible Officer	General Excellence <u>Manager</u> Business <u>Chief Executive Officer</u>
Approval Date	5/12/2017 <u>5/12/2017</u>
Review Date	4/12/2021 <u>17/03/2025</u>

1. Purpose

The purpose of this policy is to provide guidance on how Council purchasing credit cards are to be allocated, used, and administered. ~~is~~ This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council to Elected Council Members and Chief Executive Officer (CEO). Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council-

2. Scope

This policy applies to all ~~employees~~ Council Members and the CEO who are issued with a purchasing card.

3. Definitions

For the purposes of this Policy, the following definitions apply:

Purchasing Cards	Corporate purchasing cards issued in the name of Litchfield Council.
Cardholder	Litchfield Council employee <u>Elected member or CEO</u> that is holder of a corporate purchasing card.

4. Policy Statement

4.1. Issuing of Purchasing Cards

4.1.1. Purchasing Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer. Those positions are outlined in the Financial Delegation policy. Council will authorise the issue of a credit card to the CEO with credit limits as stated in the delegation manual.

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~~4.1.1-4.1.2.~~ 4.1.2. Council may resolve to issue a credit card to a council member only if the card is necessary for the council member to perform their functions and it is not reasonably possible to use the Council's purchasing system for ordering of goods or services.

~~4.1.2-4.1.3.~~ 4.1.3. To be issued a Purchasing Card, eligible cardholders ~~staff~~ will be provided with a Purchasing Card request form from Finance. The form is provided by Litchfield Council's banking service provider. ~~Staff~~ Eligible cardholders will be required to prove their identity with the bank issuing the Purchasing Card.

~~4.1.3-4.1.4.~~ 4.1.4. Council ~~officers~~ members and the CEO issued with Purchasing Cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of the Purchasing Card Policy in form of a signed agreement.

4.2. Credit Limit

4.2.1. The monthly maximum credit limit for Purchasing Cards ~~is~~ set in the financial delegation's policy. ~~The Chief Executive Officer may exercise their authority to determine, within this limit, to vary the credit limits for individual card holders.~~

~~4.2.2.~~ In the case of an emergency situation, in line with the Council's disaster recovery plan, the Chief Executive Officer shall have the authority to raise credit limits for a short period of time above the maximum limit set in the financial delegation's policy. Any such instances need to be reported to Council as soon as practical.

4.2.2. The purchasing card is to have no cash advance facilities.

4.2.3. The purchasing card is not to be linked to any form of award points.

4.3. Cancellation of Purchasing Cards

4.3.1. Each issued Purchasing Card remains the sole property of Litchfield Council. ~~The Chief Executive Officer may revoke the use of any Purchasing Card at any given time. Council may revoke the use of the purchasing card issued to the CEO or elected members at any time.~~

4.3.2. Cancellation of a Purchasing Card is necessary where the:

- Cardholder changes job function ~~that has not got appropriate authority~~ which results in changes to delegated authority.
- Employment with ~~cardholder~~ Council ceases.
- Cardholder has not adhered to set procedures and policies.
- Misuse of Purchasing Card.
- Cardholder breaching any terms of this policy.

4.4. Use of Purchasing Card

4.4.1. Purchasing Cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be inefficient to adhere to the electronic purchase order system.

4.4.2. No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. This includes the payment of parking fines or speeding offences even if incurred whilst on Council business.

- 4.4.3. All purchases on the Purchasing Card require appropriate authorisation in line with relevant Procurement and Financial Delegations policy.
- 4.4.4. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental ~~transgression purchase~~, the ~~Director of Corporate Services-CEO~~ is to be notified and the Council reimbursed immediately.
- 4.4.5. Penalties for misuse will apply as per FIN10 Fraud Protection Plan.
- 4.5. Cardholder Responsibilities
- 4.5.1. The cardholder has to ensure that the Purchasing Card is maintained in a secure manner and guarded against improper use.
- 4.5.2. All ~~supporting~~ documentation regarding a Purchasing Card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- 4.5.3. Reconciliation is to be completed within seven days of the date of the Purchasing Card statement being issued to the cardholder.
- 4.5.4. The cardholder must follow responsibilities outlined by the card provider.
- ~~4.5.5. Purchasing Cards are to be returned to the Director of Corporate Services on or before the employee's termination date with a full acquittal of expenses. The cardholder is to return the credit card to the Council as soon as the card is no longer required or if the cardholder is leaving the Council, on or before the last day with Council.~~
- ~~4.5.6. The cardholder must not share the credit card details including the personal identification number (PIN) with anyone.~~
- ~~4.5.5.~~
- 4.6. Purchasing Card Reconciliation Procedures
- 4.6.1. Purchasing Card statement accounts will be issued to the relevant cardholder monthly ~~by the Finance Officer~~. The cardholder must provide ~~the Finance Officer~~finance with the following information on the statement:
- Description of purchase
 - Budget (General Ledger) allocation
 - Applicable GST amounts
- 4.6.2. All transactions on the statement must be supported by Tax invoice stating the ~~Supplier's name, the Supplier's Australian Business Number (ABN), the date of the expenditure, brief description~~type of ~~goods purchased the expenditure, amount of goods purchased and the~~price paid for the ~~expenditure and the Council's name as the purchaser~~goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.
- 4.6.3. If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense, ~~and must state on that declaration to the effect 'all expenditure is of a business nature'. The statutory declaration can be found at https://nt.gov.au/law/processes/statutory-declarations~~Approval of this expense is referred to the Chief Executive Officer for a decision. ~~Should approval of the expenses be denied by the Chief Executive Officer recovery of the expense shall be met by the cardholder.~~

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4.6.4. The cardholder shall sign and date the Purchasing Card reconciliation statement with supporting documentation attached. The Mayor approves the reconciliation statement of the CEO's credit card and the CEO approves the elected members credit card reconciliation.

4.6.5.

~~4.6.4.4.6.6.~~ Furthermore, the immediate supervisor of the cardholder shall give written approval of the purchases by signature on the Purchasing Card statement. In the case of the Chief Executive Officer, the Mayor shall sign. If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of the Chief Executive Officer who will consider for any appropriate action. This could include, to issue a first and final warning to the cardholder or revoking the use of the purchasing card from the cardholder. In the case of the Chief Executive Officer the matter should be brought to the attention of the Mayor.

~~4.6.5. A monthly report of all Purchasing Card transactions will be authorised by the Director of Corporate Services and the Chief Executive Officer as part of the monthly reporting to Council.~~

4.7. Disputed Transactions

- 4.7.1. Litchfield Council is responsible for paying all accounts on the monthly Purchasing Card statement and the bank processes a direct debit from the operational bank account for such.
- 4.7.2. It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. Only if this process does not resolve the dispute the cardholder needs to inform finance, who will initiate a formal dispute process with the bank.
- 4.7.3. A formal dispute process will require the cardholder to fill in a dispute form from the bank. A finance staff member will facilitate the process between the staff member and the bank.
- 4.7.4. Any amounts in dispute need to be highlighted on the Purchasing Card statement and will be debited to a suspense account until resolved.

4.8. Procedures for Lost, Stolen and Damaged Cards

- 4.8.1. The loss or theft of a Purchasing Card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Director of Corporate – CEO Services on the next working day immediately.
- 4.8.2. Advice of a damaged Purchasing Card is to be provided to the Director of Corporate Services whoCEO who will arrange a replacement.

4.9. Finance Services Responsibilities

- 4.9.1. The Finance ManagerManager Corporate Services will ensure that the following responsibilities will be met by Finance Services:
 - Arrange issues and cancellations of Purchasing Cards
 - Maintain register of all cardholders
 - Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders

- Process payments of Purchasing Cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
- Arrange for all cardholders to sign the Corporate Purchasing Cardholder Agreement with application for the Purchasing Card.
- Annual review of Purchasing Card compliance with authorised delegations
- Assist with formal dispute process

5. Associated Documents

Litchfield Council Policies

6. References and Legislation

Local Government Act, Regulations, and Ministerial Guidelines

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
15/10/2015	Updated from old policy Code LC02
04/12/2017	Included penalties for misuse and annual review for card use and holders
<u>27/01/2021</u>	<u>Updated to reflect changes as per the Local Government Act to be in effect as at 1 July 2021.</u>

~~8. CEO Approval~~

~~Approved by the Chief Executive Officer.~~

.....
Name _____ Signature _____ Date _____



RMAC REPORT

Agenda Item Number:	8.5
Report Title:	Procurement Improvement Committee Update
Author:	Jaimie O'Connor, Executive Assistant to General Manager Infrastructure and Operations
Recommending Officer:	Leon Kruger, General Manager Infrastructure and Operations,
Meeting Date:	23/02/2021
Attachments:	A: PACMan Minutes 20210209 B: PIC Action List Completed Actions - ALL C: PIC Action List - Consolidated Actions October 2020

Executive Summary

The Procurement Improvement Committee (PIC) was re-established in April 2019 to ensure that Council was focused on addressing action items from the Procurement Audit, Procurement Maturity Roadmap and the Contract Management Internal Audit. These action items were added to the PIC Improvement Action List with action officers and deadlines for the actions assigned by the PIC Committee. A total of 102 actions items were originally identified.

These action items have now all been marked as complete and therefore have been closed out. It is recommended that RMAC accept the PACMan Minutes (Attachment A) as well as the detailed list of completed actions (Attachment B).

Recommendation

That RMAC;

1. Accept and note the minutes from the PACMan Committee meeting dated, 9 February 2021 and;
2. Accept and note the list of completed actions as summarised in attachment B.

Background

The Procurement Improvement Committee (PIC) was re-established in April 2019 to ensure that Council was focused on addressing action items from the Procurement Audit, Procurement Maturity Roadmap and the Contract Management Internal Audit. These action items were added to the PIC Improvement Action List with action officers and deadlines for the actions assigned by the PIC Committee. A total of 102 actions items were identified.

Since the time of re-introduction the committee has met regularly as per the Terms of Reference however with the COVID-19 interruption and a change in staff including the resignation of the

Director Infrastructure and Operations, there was a lack of momentum with the progress of the outstanding actions. It was decided that a super committee would be formed entitled PACMan, as presented to RMAC in October 2020. This committee consolidated the previous committees for Procurement, Asset Management and Capital Works. PACMan had its first iteration in October 2020 and has had subsequent meetings in December 2020 and February 2021. The minutes from the latest meeting have been included with this report (Attachment A).

In October 2020 the outstanding PIC actions had been consolidated to just 12 actions as there were many duplicates in the required outcomes (Attachment C). Two of these actions related directly to the Risk Register. In November 2020 a new Director was introduced to the Infrastructure and Operations Department and the outstanding action items were raised as a priority. Since this time the Infrastructure and Operations team have worked together to produce a Project and Contract Management Framework (Page 9, Attachment A) as well as the supporting documentation to go with the framework (document listing, Page 10, Attachment A). Further to this, arrangements have been made to expand the Contract Management module in our Authority (Civica) operating system which will further enhance the Contract Management functionality of our Council.

As of the latest PACMan meeting held on 9 February 2021, all outstanding actions in the PIC Improvement Action list have been marked as complete. Comments can be seen in the attached finalised list (Attachment B).

This is a huge achievement from the Infrastructure and Operations team and there have been many learnings from this process.

The closing out of the outstanding action items will not be the end of the focus on procurement improvements. Continuous improvement of procurement (as with other activities) will remain an integral part of the business. It is expected that with the completion of all actions on the PIC Action List there will not be a need to carry out dedicated Procurement Improvement Committee meetings. However, procurement will remain an item on the agenda of the PACMan Committee.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Nil

Risks



Financial Implications

Nil

Community Engagement

Nil



MINUTES

PROCUREMENT | ASSET MANAGEMENT | CAPITAL WORKS MANAGEMENT COMMITTEE

Minutes of Meeting

held in the Council Chambers Meeting Room, Litchfield

on Tuesday 9th February, 2021, 08.45am

Attendees:	Craig Maffescioni, Charissa Monteleone, David Jan, Bikram Poudel, Jessica Watts, Stefan Jurkijevic, Ajinkya Chavan, Rodney Jessup, Leon Kruger (Chair)
Apologies:	Bianca Hart
Minutes Taken By:	Jaimie O'Connor

ITEM

ATTENDEES

1. WELCOME

ALL

1.1. Apologies

1.2. Meeting Overview/ Agenda run-through

1.3. Terms of Reference – Review

1.4. Confirmation of Previous Minutes

Minutes accepted

1.4.1. Status update of outstanding actions

Action table was updated. (Attachment A)

It is noted that the first iteration of the Contract Management module is complete. Ongoing improvements is expected over time.

David Jan noted, in regards to Local Buy – he has made a request with LGANT to inform us further about how Local Buy should be used in relation to the Procurement Act.

Bikram noted, IPWEA Fleet Management system is not built as yet and their system is therefore not suited for Council's requirements.

2. CAPITAL WORKS

MEETING OPEN 08:57am

2.1. Program of Works

Group reviewed the comments and status within the Capital Works spreadsheets

ACTION: Update the spreadsheet to reflect the capital projects list in the latest budget review (JO)

Rodney noted, there are many projects we may struggle to complete due to inclement weather.

ACTION: For projects with a risk of non-completion due to inclement weather, update Finance Capital Works sheet with comments such as: “The long period of inclement weather has delayed implementation and there is a risk of carry over of this project” (All)

2.2. Future planning requirements

Group discussed future planning for Capital Works. Leon noted, we need to start planning for designs before end of financial year so that works can be underway during ‘dry season’. We have included a design allocation for the proposed 2021/22 budget. If this is adopted by Council then the beneficial impact will only commence from 2022/23.

MEETING CLOSE 09:23am

BREAK

3. PROCUREMENT

MEETING OPEN 10:00am

3.1. Procurement Improvement Committee Action List update

Each of the action items in the PIC Improvement Committee Action list were discussed. All items have now been marked as complete. The group discussed the framework document (Attachment B) and the document listing (Attachment C).

Leon noted, while these documents are now in place, we will remain on a path of continuous improvement of our processes and documentation.

3.2. Project and Contract Management Framework

Presented framework document – Attached (B)

Presented document listing – Attached (C)

3.3. KPI Reporting

Finance Reports presented by Leon on behalf of Bianca;

- a) List of potential Split Orders - information is attached to all purchase order raised, split orders have been identified as different jobs in this instance and therefore not of concern
- b) List of potential Insufficient Quotes - Based on the information supplied it seems that comments and notes were made as necessary to explain incidences where a lesser number of quotes were obtained

ACTION: Charissa to remind staff raising purchase orders of best practice when commenting/ attaching quotes

I&A Reports

- c) Current contract costs relative to awarded costs – once contract module in authority has further data this report will provide more appropriate information for analysis

3.4. Periodic Contracts

Currently there are two period contracts spreadsheets. These should be combined.

- Plan to stagger period contract renewals
- Charissa to take ownership of the spreadsheet and initiate the contract renewals to responsible owners
- When the workflow function of Contract module is in place then the renewals can be a timed action/ reminder

ACTION: Combine Period Contracts excel sheets (Charissa)
Add the Period Contracts schedule to the Contract module (Charissa to arrange)

3.5. Risk Register

Rebecca ran through the risk register and outstanding actions and comments. Advised the group that 8 actions have been completed with 19 outstanding.

Group confirmed that the Procurement Audit Findings (RP9) can be marked complete

MEETING CLOSED 10:48am

4. ASSET MANAGEMENT

MEETING OPEN 10:00am

4.1. Asset Management Policy

4.1.1. Review Document

4.1.2. Craig proposing that there be an Asset Management threshold introduced of \$10K to align with the Capitalisation value. Propose that Signage and street furniture to be removed from Asset Register.

Discussion around whether the policy should be updated in relation to Asset thresholds. It was decided the policy should be updated to refer to the Account & Policy Manual and other key documents such as an Asset Management Procedure (still to be written)

ACTION: Bikram to meet with Arun and Bianca to discuss further regarding thresholds. Both the Asset Management and Accounting Policy will need updating in due course; noting policies need to go to Council for approval

ACTION: Bikram to create an Asset Management procedure/ manual which can refer to the 'how' we manage our Assets and the documents and processes required in terms of capitalisation and linking in with Finance, asset registers et al

4.2. Asset Management Plan schedule (as below)

4.3. Proposed changes

Reviewed the Asset Management Schedule – changes made and comments updated by Bikram and Craig.

Proposal to combine roads, driveways, drainages, shared paths, roadside furniture, kerb and gutter, and carparks in to one "Asset Management Plan – Transport". Group agreed however should be added to the schedule with a proposed deliverables and timeline for completion. Noting, inspection regimes should remain in place for at least 12 months to create a baseline of data for these asset areas.

ACTION: Bikram – update the Asset Management Plan schedule as discussed with more intermediate deliverables and update comments. Liaise with Program Leaders/ Managers as required. Noting, Thorak is past review date however the review date will be amended as still-to-be-developed AMPs take priority to finalise first.

ACTION: Plant & Equipment AMP – due June 2021 – add to Council Briefing and Council Meeting Agenda to be presented (JO)

ACTION: Craig - Driveway policy to be reviewed to clarify issues that are open to interpretation. Update and present to Council briefing, followed by a Council report – Add to Agenda (JO)

MEETING CLOSED 11:48am

MEETING ACTIONS

Item Number	Action	Action Officer	STATUS
2.1	Update the spreadsheet to reflect the capital projects list in the latest budget review	Jaimie O'Connor	
2.1	For projects with a risk of non-completion due to inclement weather, update Finance Capital Works sheet with comments such as: "The long period of inclement weather has delayed implementation and there is a risk of carry over of this project"	ALL	
3.3	Charissa to remind staff raising purchase orders of best practice when commenting/ attaching quotes	Charissa Monteleone	
3.4	Combine Period Contracts excel sheets Add the Period Contracts schedule to the Contract module	Charissa Monteleone	
4.1	Bikram to meet with Arun and Bianca to discuss further regarding thresholds. Both the Asset Management and Accounting Policy will need updating in due course; noting policies need to go to Council for approval	Bikram Poudel	
4.1	Bikram to create an Asset Management procedure/ manual which can refer to the 'how' we manage our Assets and the documents and processes required in terms of capitalisation and linking in with Finance, asset registers et al	Bikram Poudel	
4.3	Bikram – update the Asset Management Plan schedule as discussed with more intermediate deliverables and update comments. Liaise with Program Leaders/ Managers as required. Noting, Thorak is past review date however the review date will be amended as still-to-be-developed AMPs take priority to finalise first.	Bikram Poudel	
4.3	Plant & Equipment AMP – due June 2021 – add to Council Briefing and Council Meeting Agenda	Jaimie O'Connor	
4.3	Craig - Driveway policy to be reviewed to clarify issues that are open to interpretation. Update and present to Council briefing, followed by a Council report	Craig Maffescioni	
4.3	Add Driveway Policy to Council briefing and meeting agenda as required	Jaimie O'Connor	

END

MEETING ACTIONS – 15th December 2020

Item Number	Action	Action Officer	Status
2.2	Project prioritization matrix to be presented to LT	Bianca Hart	Complete
3.1.1	Contract Module – training follow up with CIVICA	Charissa Monteleone	Complete
3.1.1	Progress Payment template (could be part of contract module) Discuss requirement with LK	Charissa Monteleone	Complete
3.1.1	Procurement Competency (pre panel) checklist. Present to next PACMan, include in Tender internal process	Leon Kruger	Complete
3.1.2	PIC Action List – review audit findings – compare to outstanding actions. Find evidence and close out as required.	Jaimie O'Connor Leon Kruger Rebecca Taylor	Complete
3.2	Ensure all required staff have access to Local Buy	Charissa Monteleone	Complete
3.3	IPWEA – membership – ascertain who are current members	Jaimie O'Connor	Complete
3.3	Asset Track – IPWEA – investigate use and if able to use for fleet management	Bikram Poudel	Complete
3.5	Period Contracts – review list – send to managers for additional contracts	Jaimie O'Connor	Complete
3.6	(requirement) Report to RMAC updating progress of PIC Action List	Leon Kruger	Complete
4.1	Asset Management Strategy – make document obsolete Check Asset Management Policy and remove reference to the strategy document	Jaimie O'Connor Leon Kruger	Complete
4.3	ARRB Data to be scrutinized before incorporating it in to the review of the Asset Management Plan	Bikram Poudel	Complete
4.4.2	Reintroduce the Asset Management workflow/ CRM	Bikram Poudel Stefan Jurkijevic	Complete
4.4.2	Update Asset Management forms in InfoXpert	Bikram Poudel	Complete
4.5	Asset Management Plan schedule – update document and finalise in InfoXpert	Jaimie O'Connor	Complete

Updated: 09/02/2021



PROJECT MANAGEMENT & CONTRACT MANAGEMENT FRAMEWORK

Version Details

Infoxpert Version 1.0.00, updated 12 January 2021

Document ID 489965 PDF. | 489966 Editable word

Document History

Revision	Date	Description	Prepared	Checked	Approved
A	29/10/2020	Initial document	Ken Fox	J. OConnor	PACMAN
B	12/01/2021	Document updated	J. OConnor	C. Monteleone	L. Kruger



PROJECT LIFECYCLE

PROJECT INITIATION

ACTIVITIES

- Projects identified through Asset Management Plans, new initiatives, strategic plan
- Project definition development
- High level project estimates
- Projects approved through Council adoption of Municipal Plan

PROJECT PLANNING

ACTIVITIES

- Develop scope requirements
- Develop project plan including communication plan, risk management, WHS, and contingency management plan
- Identify and assign resources
- Concept Design (where required)

PROJECT COMMENCEMENT

ACTIVITIES

- Review and update Project Plan
- Commence land acquisition/easements/access processes
- Confirm planning /regulatory approval processes
- Lodge any application/consent approvals
- Develop tender estimate to inform procurement approach
- Complete final technical investigations /studies (incl. Geotech)
- Consultant to conduct HAZOP WHS, constructability, value engineering, sustainability and safety in design reviews
- Consultant to develop design/reference design, technical specifications and design report
- Consultant review or design and technical specifications including sign-off by approved qualified person
- Development of RFT
- Advertise tenders and respond to tenderers request for information;
- Close tenders and evaluate
- Draft tender recommendation document for delegated approval

PROJECT DELIVERY

ACTIVITIES

- Award Contract
- Manage contract delivery including time, cost, quality and project delivery risks
- Receive permit to occupy
- Issue certificate of practical completion
- Commence defect liability period
- Monitor and rectify defects

PROJECT CLOSURE

ACTIVITIES

- Finalise any outstanding services contracts and obligations
- Finalise any land acquisitions/easements/ access agreements
- Handover assets to the owner
- Capitalise the project, and update asset management system
- Finalise any external funding completion reporting , claims an disclosures

STAKEHOLDER EXPECTATION MANAGEMENT & APPROVALS

SAMPLE OF SUPPORTING DOCUMENTS:

- Project Estimate Template
- Project Plan template (incl. project cost estimate, project budget, procurement plan, communication plan, risk assessment)
- Asset Management Plan list of projects
- New initiatives template
- Annual plan workshops, presentations and reports

PROCUREMENT MANAGEMENT

SAMPLE OF SUPPORTING DOCUMENTS

- Procurement Plan/Checklist
- Procurement Manual
- Simple e-mail invitation to quote (\$1k 0 \$10k)
- Tender advertisement template
- EOI, RFT and RFQ templates
- Tender assessment value for money evaluation spreadsheet/tool
- Tender/quotation recommendation
- Successful/unsuccessful letters
- Tenderer de-briefing procedure

CONTRACT MANAGEMENT

SAMPLE OF SUPPORTING DOCUMENTS

- Signed Contract
- Contract management template and checklist
- Contract start up meeting template
- Contract meeting minutes template
- Payment Certificate Template
- Request for quotation for variation template
- Variation order/ letter and register
- Variation internal approval template
- Site inspection checklists
- Defect rectification notification template
- Practical and final completion certificates
- Asset register data, As Built Drawing format

ADDITIONAL DOCUMENTATION	
Document Name	Documet ID
Conflict of Interest Procedure (Staff).docx	492544
Conflict of Interest Staff Questionnaire.docx	492545

STAKEHOLDER EXPECTATION MANAGEMENT APPROVALS	
Document Name	Documet ID
Project Estimate.xlsx	492521
Project Plan Larger Projects.docx	492523
Project Plan Simple.docx	492524
New Initiatives Request Form.docx	492517
Purchasing Quotation Exemption Form.docx	480497
T01 Capital Project Request Form.docx	445482

PROCUREMENT MANAGEMENT	
Document Name	Documet ID
Procurement Manual 20191029.docx	445523
Tender Procedure - Litchfield Council.docx	445466
Procurement Plan Checklist.docx	492520
Simple e-mail invitation to quote (\$1k to \$10K).docx	492532
Tender Advertisement.docx	492535
Quotation recommendation report.docx	492525
RFQ Consultancy.docx	492527
Minor Civil Works RFQ.docx	486556
EOI.docx	492552
RFTXX-XXX PART A INFORMATION FOR TENDERERS (MWS).docx	492528
RFTXX-XXX PART B CONDITIONS OF TENDER (MWS).docx	492529
RFTXX-XXX PART C CONDITIONS OF CONTRACT (MWS).docx	492530
RFTXX-XXX PART D RESPONSE SCHEDULE.docx	492531
Addendum Template.docx	492542
RFQ CONSTRUCTION.docx	491602
T02 Tender Intiation Form.docx	445481
T03 Tender Evaluation Panel (TEP) Form.docx	445484
T04 Convening of Tender Evaluation Panel.docx	445485
T05 Tender Evaluation and Probity Plan.docx	445467
T06 Conflict of Interest and Confidentiality Declaration.docx	445473
T07 Tender Opening.docx	445474
T08 Tender Documents Received.docx	445476
T09 a Individual Tender Evaluation Scoring.xlsx	481960
T09 b Combined Tender Evaluation Scoring.xlsx	481939
T10a Tender Evaluation Report Award CEO.docx	446621
T10b Tender Evaluation Report Award Confidential Council.docx	445471
T11a Successful Tender Letter CEO.docx	445480
T11b Successful Tender Letter Council.docx	445475
T12a Unsuccessful Tender Letter CEO.docx	445478
T12b Unsuccessful Tender letter Council.docx	445483
Tender de-briefing procedure.docx	492536

PROCUREMENT MANAGEMENT	
Document Name	Documet ID
T13 Formal Contract Agreement.docx	445472
Contract Management Plan.docx	492548
Contract Management Checklist.docx	492547
Contract start up meeting.docx	492550
Contract meeting minutes template.docx	492549
Payment Certificate.docx	492518
Request for quotation for variation.docx	492526
Varition Order.docx	492540
Variation Letter.docx	492538
Variation Register.xlsx	492539
Variation Internal Approval.docx	492537
Varition Procedure Checklist.docx	492541
Contract Extension Letter.docx	492546
Site Inspection Checklist.docx	492533
Site Risk Assessment.docx	492534
Defect rectification notification.docx	492551
T14 Certificate of Completion.docx	445477
T15 Certificate of Practical Completion.docx	447113
Asset Register Data.xlsx	492543

Procurement Improvement Committee Action List

Item	Source	Action	Due (Original)	Due (Updated)	Current Status	Key Action/Document Required	Status - Comments
33	2017 Procurement Audit	Develop a standard Progress Payments template to support the request for interim contract payments that are submitted to Directors for sign off	Sep-17	Sep-20	Complete (04/02/2021)	Contract Management Procedure	Progress Payment Template developed
66	2018 Procurement Maturity Roadmap	Planning - Post contract reviews pre tender	Jul-18	Sep-20	Complete (04/02/2021)	Contract Management Procedure	Post contract review template developed DOC ID:
79	2018 Procurement Maturity Roadmap	Enablers - Procurement Community of Practice	Nov-18	Dec-20	Complete (04/02/2021)	Project Management Framework	6 current memberships to IPWEA (Institute of Public Works Engineers Australia)
80	2018 Procurement Maturity Roadmap	Enablers - Policy / procedure training	Nov-18	Dec-20	Complete (04/02/2021)	Training	Training has been provided to existing staff on Procurement Manual. KPMG provided Conflict of Interest training to existing staff. Training will be provided as part of the Induction for appropriate staff for; Conflict of Interest Procurement Contract & Project Management training will be provided on an as needs basis.
81	2018 Procurement Maturity Roadmap	Planning - Capital bids	Mar-19	Dec-20	Complete (04/02/2021)	Project Management Framework	Capital Project Request DOC ID: 445482 Project Plan template has been developed DOC ID:
94	2019 Contract Management Audit	Include risk assessment in Project Management Framework	Dec-19	Dec-20	Complete (04/02/2021)	Project Management Framework	Risk Assessment included in the Project Plan template DOC ID:
95	2019 Contract Management Audit	Set up Contracts Module in Authority with accompanying procedure	Dec-19	Jun-20	Complete (04/02/2021)	Authority Contracts Module Procedure	Contract Management system within Authority currently in use and being developed further
100	2019 Contract Management Audit	Develop variation procedure and template, to be included in Project Management Framework	Aug-19	Sep-20	Complete (04/02/2021)	Contract Management Procedure	Variation Template developed + Procedure developed included in the Project Management Framework
101	2019 Contract Management Audit	Include contractor performance (KPI's, reports and issues) in checklist, to be included in Project Management Framework	Aug-19	Sep-20	Complete (04/02/2021)	Contract Management Procedure	Contractor Performance requirements have been included in the technical specifications in the RFT Template. Contractor Performance is measured throughout the life of the contract.

Item	Source	Action	Due (Original)	Due (Updated)	Current Status	Key Action/Document Required	Status - Comments
102	2019 Contract Management Audit	Include records of contractor performance in checklist, to be included in Project Management Framework	Aug-19	Sep-20	Complete (04/02/2021)	Contract Management Procedure	Contract Management Checklist DOC ID 445746 Contractor Performance requirements have been included in the technical specifications in the RFT Template. Contractor Performance is measured throughout the life of the contract.
A1	Risk Action Sheet	Implement Procurement Audit Findings	Jun-18		Complete (04/02/2021)	Training	Identified actions now resolved. Status marked as complete
A2	Risk Action Sheet	Develop Contract Management System	Jun-18		Complete (04/02/2021)	Contract Management Procedure	Identified actions now resolved. Status marked as complete

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Responsible Officer	Key Action/Document Required	CONSOLIDATED ITEMS DOCUMENT REQUIRED
33	2017 Procurement Audit	#33	Develop a standard Progress Payments template to support the request for interim contract payments that are submitted to Directors for sign off	High	Sep-17	Sep-20	In progress	MIA	Contract Management Procedure	Progress Payment Template
66	2018 Procurement Maturity Roadmap	4	Planning - Post contract reviews pre tender		Jul-18	Sep-20	In progress	MIA	Contract Management Procedure	
79	2018 Procurement Maturity Roadmap	17	Enablers - Procurement Community of Practice		Nov-18	Dec-20	In progress	MIA	Project Management Framework	Community of Practice policy/ guideline
80	2018 Procurement Maturity Roadmap	18	Enablers - Policy / procedure training		Nov-18	Dec-20	In progress	CEO	Training	As per Items (marked as complete) #6, #35 Training to be conducted for All Staff in areas of: *Procurement *Conflict of Interest *Contract and Project Management %To be included in Induction%
81	2018 Procurement Maturity Roadmap	19	Planning - Capital bids		Mar-19	Dec-20	In progress	MIA	Project Management Framework	As per Item (marked as complete) # 19, #20 Existing - Capital Project Request DOC ID: 445482 Additional information required in template This is to form part of the Budget Development process
94	2019 Contract Management Audit	3.1.3	Include risk assessment in Project Management Framework	Medium	Dec-19	Dec-20	In progress	MIA	Project Management Framework	As per Item (marked as complete) #92 Project Management Framework to be developed ensure Risk Assessment requirement included
95	2019 Contract Management Audit	3.2.1	Set up Contracts Module in Authority with accompanying procedure	Medium	Dec-19	Jun-20	Partially Complete	MIA	Authority Contracts Module Procedure	As per Item (marked as complete) #65, #83 Contract Management procedure to be developed for Authority Authority has the capability for this requirement * to include Contract expiry (per #65) * system planning to be included (forward planning per discussion in PIC meeting)
100	2019 Contract Management Audit	3.3.4	Develop variation procedure and template, to be included in Project Management Framework	High	Aug-19	Sep-20	In progress	MIA	Contract Management Procedure	As per Items (marked as complete) #43, #70 Variation Template + Procedure developed to be included in the Project Management Framework Project Management Framework

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Responsible Officer	Key Action/Document Required	CONSOLIDATED ITEMS DOCUMENT REQUIRED
101	2019 Contract Management Audit	3.4.1	Include contractor performance (KPI's, reports and issues) in checklist, to be included in Project Management Framework	Medium	Aug-19	Sep-20	In progress	MIA	Contract Management Procedure	As per Items (marked as complete) #78, #82 Contractor Performance template to be drafted
102	2019 Contract Management Audit	3.4.2	Include records of contractor performance in checklist, to be included in Project Management Framework	Medium	Aug-19	Sep-20	In progress	MIA	Contract Management Procedure	As per Items (marked as complete) #77 #96 #97, #98, #99 Contract Management Checklist DOC ID 445746 established. Document to be checked to contain: *required documentation list *checklist should be referred to in Project Mgmt Framework *include kick-off meeting *site visits *contractor performance *supplier engagement survey
A1	Risk Action Sheet	RP9	Implement Procurement Audit Findings		Jun-18	Dec-20	In progress	DCCS	Training	
A2	Risk Action Sheet	RP14	Develop Contract Management System		Jun-18	Sep-20	In progress	DIO	Contract Management Procedure	



RMAC REPORT

Agenda Item Number:	8.6
Report Title:	Risk Register
Author:	Rebecca Taylor, Policy & Governance Program Leader
Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	A: Risk Register B: Updated Control Status Reports

Executive Summary

To update the RMAC on the risk profile, control and action status as identified in the Risk Register.

Recommendation

THAT RMAC

1. Note the updated risk register; and
2. Note the completed actions in the risk dashboard of the risk register, which will be removed from the action list and controls to be updated where required.

Background

The full Litchfield Council risk register is attached (Attachment A). The summary dashboard provides updates as to the progress in implementing actions. There is a total of 27 actions with;

- 11 actions now complete; and
- 16 actions on going.

There have been no changes to the risk profiles since the last report to RMAC in September, as per table below. There are currently five risk profiles where the risk appetite is not yet achieved. Work continues on the outstanding actions to address control ratings and potentially the risk level.

Risk Profile	Risk	Control
RP1 - Misconduct	Moderate	Adequate
RP2 - Business and Community Disruption	Moderate	Adequate
RP3 - Inadequate Environmental Management	Low	Adequate
RP4 - Errors, Omissions, Delays and Incorrect Advice	Moderate	Adequate
RP5 - External Theft and Fraud (inc. Cyber Crime)	Moderate	Adequate
RP6 - ICT Systems and Infrastructure Failure	Moderate	Adequate
RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements	Moderate	Adequate
RP8 - Inadequate Safety and Security Practices	High	Inadequate
RP9 - Ineffective and Unsustainable Financial Management	Moderate	Adequate
RP10 - Ineffective Management of Public Facilities / Venues / Events	Moderate	Inadequate
RP11 - Inadequate Records Management Processes	Moderate	Adequate
RP12 - Inadequate Project/Change Management	Moderate	Inadequate
RP13 - Inadequate Engagement Practices	Moderate	Adequate
RP14 - Inadequate Procurement / Supplier / Contract Management	High	Inadequate
RP15 - Inadequate Asset Sustainability Practices	High	Inadequate
RP16 - Ineffective HR Management / Employment Practices	Moderate	Adequate

With the completion of a number of historical actions, as seen in further detail in Attachment B Updated Control Status Reports, the below controls have been updated.

Control	Treatment	Risk Profile	Current Status	Proposed Status
Business Continuity Plan	N/A	RP2 – Business and Community Disruption	Inadequate	Adequate
Safety Management System/Framework	WHS Management Plan	RP8 – Inadequate Safety and Security Practices	Inadequate	Adequate
Annual review of financial manuals and procedures	Review Payroll Procedures	RP9 – Ineffective and Unsustainable Financial Management	Inadequate	Adequate
Project Management Framework (Project Methodology)	Implementation of Procurement Audit findings	RP12 – Inadequate Project/Change Management	Inadequate	Adequate
Communications Plans within Project Plans/Events	Standardised community information processes for Road Network	RP13 – Inadequate Engagement Process	Inadequate	Adequate
Contract Management System	Implementation of Procurement Audit findings	RP14 – Inadequate Procurement / Supplier / Contract Management	Inadequate	Adequate

A summary of control rating compared to the previous report is provided below.

Control Ratings Aug 2020		Control Ratings Feb 2021	
Row Labels	Count of Control Rating	Row Labels	Count of Control Rating
Adequate	151	Adequate	157
Excellent	29	Excellent	29
Inadequate	43	Inadequate	36
Grand Total	223	Grand Total	222

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This paper is consistent with FIN08 Risk Management and FIN09 Risk Management and Audit Committee. The risk management framework meets Council's risk management compliance requirements.

Risks



Financial Implications

Nil

Community Engagement

Nil

Litchfield Council Risk Dashboard Action Status Report

		Risk	Control		
RP2 - Business and Community Disruption		Moderate	Adequate		
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History	
Develop Council Business Continuity Framework and Action Plan	Jun-18	Policy & Governance Program Leader		<p>7 August 2018 Item not on track. Research into existing frameworks at other Councils conducted. Investigated potential for consultancy to complete this action.</p> <p>February 2019 No further progress. The emergency management plan has been updated and will include consideration of business continuity in relation to cyclone impacts. The creation of a whole of Council Business Continuity plan will have to be developed in house as resources permit.</p> <p>September 2019 No further progress</p> <p>February 2020 Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. This action is linked to RP6 ICT continuity plan</p> <p>September 2020 Workshop held with Leadership Team 21/8/20 - In progress</p> <p>December BCP complete</p>	
RP4 - Errors, Omissions, Delays and Incorrect Advice		Moderate	Adequate		
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History	
Formalise Procedures, Documentation and Checklists for Core Operations - Finance	Jun-18	Manager Corporate Services		<p>7 August 2018 Item incomplete. Gov and Risk Advisor to meet with manager to develop plan for completion</p> <p>February 2019 Procedures correlated and prepared, yet final review outstanding before takes completed.</p> <p>September 2019 No further progress</p> <p>February 2020 In progress Expect completion by July 2020</p> <p>September 2020 Core processes in place, to be refined - in progress</p> <p>December In progress</p> <p>February Finance procedures completed. Procedures subject to regular review and continuous improvement.</p> <p>Action completed</p>	
Formalise Procedures, Documentation and Checklists for Core Operations - Works	Apr-18	Manager Infrastructure & Assets		<p>due date reviewed from March 2018</p> <p>8 May 2018 Not on schedule due to increased workload resulting from impact of cyclone Marcus.</p> <p>Overdue</p> <p>7 August 2018 Item incomplete. Governance and Risk Advisor to meet with manager to develop plan for completion</p> <p>February 2019 Collation of documentation and preparation of 90% of documentation complete.</p> <p>Proposed target – completion by March 2019</p> <p>September 2019 No further progress</p> <p>February 2020 In progress. Expect completion by July 2020</p> <p>September 2020 In progress</p> <p>December In progress</p> <p>February 2021 Significant progress has been made in procurement, project management and contract management. Further gap analysis to be carried out.</p>	

Litchfield Council Risk Dashboard Action Status Report

Formalise Procedures, Documentation and Checklists for Core Operations - Customer Services	Sep-18	General Manager Business Excellence	<p><u>February 2019</u> In progress. Library procedures to be included. Expect finalisation August 2019</p> <p><u>September 2019</u> No further progress</p> <p><u>February 2020</u> Draft procedures for events developed and under review</p> <p><u>September 2020</u> documentation around community services procedures in draft, Core Corporate service procedures in development</p> <p><u>December</u> Procedures completed. Procedures subject to regular review and continuous improvement. Action completed</p>
Review the CRM system	Oct-18	General Manager Business Excellence	<p><u>8/11/2018</u> establishment of the SERVICE Committee for Customer Service Charter, Review of CRM process to follow</p> <p><u>September 2019</u> Terms of reference established for SERVICE Committee which has only met once to date</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Customer service charter approved by Council, CRM workflow review to be completed in October 2020</p> <p><u>February</u> First phase is completed. Data has been cleansed of historical outstanding items. A detailed crystal report template has now been created to provide a clear understanding of current CRM's. Further report to be provided to General Manager in March.</p>
Formalise Procedures, Documentation and Checklists for Core Operations - Community Services	Sep-18	Community Development Program Leader	<p><u>February 2021</u> Action was originally linked with Corporate Services, however with the new restructure, Community is now separate from Corporate Services and now includes Regulatory Services and the Library. Action now separated. Community procedures completed. Procedures subject to regular review and continuous improvement. Action completed.</p>

Litchfield Council Risk Dashboard Action Status Report

RP6 - ICT Systems and Infrastructure Failure		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	Comments & Review History
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Information Technology Program Leader	<p><u>September 2019</u> - New Action</p> <p><u>February 2020</u></p> <p>Parallel with the recommendations around Azure proposal and strategic planning around ICT (i.e. reduced architecture and reliance on on-premise servers and asset management, Business System Review planning to take place in 2020. Documentation and information from external sources to be secured in March 2020, with Draft Documentation due in April 2020.</p> <p><u>Due May 2020</u></p> <p><u>September 2020</u></p> <p>Azure proposal complete - In progress</p> <p><u>December</u></p> <p>Servers to remain on premise until Gap analysis report as a key deliverable from ERP systems review project to advice timing or feasibility of moving to Software as a Service (SAAS) platform.</p>
Develop high level ICT business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	Information Technology Program Leader	<p><u>September 2019</u> - New Action</p> <p><u>February 2020</u></p> <p>As per discussions with Governance and Risk Advisor – ICT BCP to be done in conjunction with overall BCP. BCP to drive the ICT Disaster Recovery documentation and recommendations. Due Date May 2020.</p> <p><u>September 2020</u></p> <p>Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. IT Business Continuity Plan commenced and will be incorporated into the whole of Council framework.</p> <p><u>December</u></p> <p>Workshop held with Leadership Team 21/8/20 - In progress</p> <p>Overall BCP for Council completed. ICT continuity draft plan to be presented to ET in March 2021. Action/treatment wording amended to include ICT BCP, to separate the overall BCP and the ICT specific BCP.</p>
Mitigate legacy software platforms (Windows Server) (Item 5.1.4)	Feb-20	Information Technology Program Leader	<p><u>September 2019</u> - New Action</p> <p><u>February 2020</u></p> <p>As per the Azure proposal from Fourier, recommendations for a re-architecture include the removal of legacy platforms from Servers. Due Date June 2020.</p> <p><u>September 2020</u></p> <p>New servers arrive late August 2020 - In progress</p> <p><u>December</u></p> <p>Part 1 Host are complete</p> <p>Part 2 Virtual machines are in progress</p> <p><u>February 2021</u></p> <p>Part 2 is in progress with funding secured. To be completed by June 2021.</p>
Develop Unified Communications (Voice/Video/Data) – Telecommunications plan. (Item 2.1.4)	Feb-20	Information Technology Program Leader	<p><u>September 2019</u> - New Action</p> <p><u>February 2020</u></p> <p>VOIP phones and backup internet to HSWTS, HDWTS. LCO moved to VOIP. Thorax and Taminmin Library to have adequate internet backup and VOIP phones solutions outlined. Investigations to cloud telephony solutions to be outlined. Documentation and Plan to be compiled in April 2020. Due Date May 2020.</p> <p><u>September 2020</u></p> <p>Documentation and plan compiled - outcome to be decided</p> <p><u>December</u></p> <p>Cost vs benefits investigation conducted, nothing suitable found so far, to be presented to ELT in June 2021.</p>
ICT Security Audit 2020 - Actions	Dec-21	Information Technology Program Leader	<p><u>October 2020</u></p> <p>New Action</p> <p><u>February 2021</u></p> <p>20 Actions on the ICT Security Audit have been identified to be completed this financial year 2020/2021. Of these actions, 5 have been completed, 1 is not required and 14 are to be completed prior to 30 June 21.</p>

Litchfield Council Risk Dashboard Action Status Report

		Risk	Control	
RP8 - Inadequate Safety and Security Practices		High	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
		Comments & Review History		
Review Existing Safety Practices and Develop Council Safety Management Systems	Sep-18	Manager People & Performance	<p><u>February 2019</u> Updated WHS policy and procedures. Implemented updated forms and reporting requirements, trained staff on updated policy and procedures. WHS register implemented.</p> <p><u>September 2019</u> Contract let to Latitude 12 to develop a WHS system to be completed by October 2019</p> <p><u>November 2019</u> Draft WHS management plan complete and undergoing feedback prior to implementation. Once endorsed this plan will impact on several controls (RP3 Environmental Management/Response Plans, All RP8 controls ,</p> <p><u>February 2020</u> Plan is complete. With the resignation of the Records Officer an opportunity exists to restructure and employ a specific WHS resource to implement the actions detailed in the plan</p> <p><u>September 2020</u> Existing safety practices reviewed and safety management system developed, implementation being progressed.</p> <p><u>February 2021</u> WHS Management Plan presented at all staff meeting, plan placed on front page of Infxpert and hard copies dispersed to outdoor staff. Implementation will be ongoing subject to continual review and improvement. Action completed.</p>	
		Risk	Control	
RP9 - Ineffective and Unsustainable Financial Management		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
		Comments & Review History		
Review Developer Contribution Plan	Jun-18	Project Management Program Leader	<p><u>7 August 2018</u> Consultants have prepared a draft Developer Contribution Plan. Planning and Development Manager is currently reviewing for preparation to Council in October.</p> <p><u>February 2019</u> The new Developer Contribution Plan continues to be developed. Updates have been provided to Council. The detail of the contribution plan is 80% complete following a review of asset data and requirement of works assessment. Legal advice is required to be obtained and instructions for advice are being prepared. This is a complex project that has legislative requirements in its content and delivery and therefore is being processed in a manner to minimise the risk to Council of the plan being insufficient.</p> <p>Current target – completion by July 2019</p> <p><u>November 2019</u> Council's revised Developer Contribution Plan is currently under development and nearing completion. However, recently proposed amendments to the NT Planning Act propose changes to how fees noted within a DCP can be collected. It is also understood that updated Regulations that will accompany the amendments to the Act will result in changes to which assets Council can collect money for within a DCP. The proposed changes are expected to be of benefit to Council, allowing Council greater ability to collect fees from development contributing to upgrades and to collect money for all infrastructure assets requiring upgrades.</p> <p>Any DCP or changes to a DCP is required to undergo a 28-day public consultation prior to adoption. As a result, it is considered prudent to continue to develop the DCP with the proposed changes in mind. Then the finalised plan can be publicly exhibited and adopted once the changes are made to the NT Planning Act and associated Regulations. At this time, it is understood that the intention is for the updated Planning Act to be adopted in mid 2020, with the Regulations to follow shortly after.</p> <p>Legal advice is to wait until new act is passed then proceed with adoption. Expect completion September 2020.</p> <p><u>February 2020</u> Updates to Planning Act are due to be enacted by June 2020. Once enacted updates will need to be made to plan. Expect completion by October 2020</p> <p><u>September 2020</u> Now that the NT Planning ACT and Planning regulations have been updated by NTG, can proceed to finalising updated plan under the new requirements, for legal review and then community consultation if approved by Council.</p> <p><u>December</u> Council are expecting the DRAFT DCP from Aurecon in December/January</p> <p><u>February 2021</u> DRAFT DCP received from Aurecon, to be reviewed. DRAFT to be finalised and provided to lawyers by March.</p>	

Litchfield Council Risk Dashboard Action Status Report

Implementation of Procurement Audit Findings	Jun-18	General Manager Business Excellence	<p><u>7 August 2018</u> 1. Councils procurement policy has been updated of which the draft document (attached) is presented for RMAC endorsement. Updates to the current policy include, a. inclusion of provisions for the appointment of a probity advisor by the Tender Evaluation Panel (TEP) b. removal of procedural items to be included in a procurement procedures document, and c. clarifying the documenting of justification when it is impractical to obtain three written quotations. Detailed references to legislation remain in the policy document due to the importance of ensuring all staff understand the context of the policy in relation to the legislation and their responsibilities. 2. Development has commenced on a procurement manual (table of contents attached). This manual will provide procedures for all Councils procurement activities including forms, templates and checklists. Procedural items from the current policy will be included. 3. Key procurement personnel (Works Controller and Asset Management Officer) have attended a three-day procurement training session hosted by the Local Government Association of the Northern Territory. <u>November 2018</u> Procurement Policy Reviewed, Procurement manual in development, Responsibilities reviewed, Implementation of Roadmap <u>February 2019</u> The Executive team are currently reviewing procurement responsibilities within the current organisational structure and capacity. This action will be refined with specific actions for implementation. <u>August 2019</u> Procurement Improvement Committee established and progress. Report presented to RMAC at August meeting with progress on actions. <u>February 2020</u> PIC minutes presented to RMAC at March meeting with progress. <u>February 2021</u> PIC minutes presented to RMAC at February Meeting with progress. All action items have been completed.</p>
Asset management plans in progress	Jul-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> The Thorak Cemetery asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed. <u>3 October 2018</u> 1. Thorak Regional Cemetery – to be presented at Thorak Regional Cemetery Board meeting in September 2018 2. Roads – AMO is collecting background information now and will be drafted by November 2018 3. Plant & Equipment – Not yet to start but will be prepared by December 2018 4. Driveways – Not yet to start but will be prepared by December 2018 <u>February 2019</u> Scheduled for all plans is in place and progressing 1. Thorak Regional Cemetery 2. Roads – Asset Management Plan (AMP) drafted – critical elements to be considered through budget consideration process prior to finalising 3. Plant & Equipment – AMP drafted and replacement schedule being utilised to inform budget process 4. Driveways – AMP data collection, checking and updating underway Proposed target – the asset management plans are progressing to a schedule, with a target completion of December 2019 for all plans <u>September 2019</u> Update on proposed targets to be presented to RMAC in Feb 2020 <u>February 2020</u> Report presented to March RMAC meeting <u>September 2020</u> Asset management working group are meeting on 16/9/20. Will be reviewing membership and updating terms of reference for group. Working group will then review the prioritisation of the outstanding asset management plans. <u>December</u> Asset management plan schedule confirmed by PACMan committee. 1. Thorak Cemetery - complete 2. Road assts - complete 3. Plant and Equipment - in draft due June 2021 4. Driveways - in draft due June 2021</p>
Review payroll procedures	Jun-20	Manager Corporate Services	<p><u>February 2020</u> New Action <u>September 2020</u> The main procedures that were affected in the payroll audit and backpay have been reviewed. All other procedures to be reviewed - to be completed by February 2021. <u>February 2021</u> Payroll procedures completed and implemented. Procedures subject to regular review and continuous improvement. Action Complete</p>

Litchfield Council Risk Dashboard Action Status Report

RP10 - Ineffective Management of Public Facilities / Venues / Events		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	Comments & Review History
Formalise Public Places By-Law	Jun-19	General Manager Business Excellence	<p><u>7 August 2018</u> No progress to date on this item as meeting procedure by-laws are still in development. A needs assessment will be commissioned to ascertain the I it is still beneficial for Council to proceed with the development of these by-laws.</p> <p><u>November 2018</u> Seeking Consultant to guide workshop with elected members in May 2019</p> <p><u>February 2019</u> This action is on hold pending the establishment of meeting procedure by-laws.</p> <p><u>February 2020</u> New consultant approached to facilitate workshop which will review Council's intent and capacity in line with updated NTG planning regs may impact this action.</p> <p><u>September 2020</u> On Hold - only to be actioned once Meeting Procedure by-laws have been finalised</p> <p><u>December</u> Work is currently being undertaken on the status for a report to February Council meeting (meeting by-laws) In progress - rescind the decision to have meeting by-laws</p>
Review Reserve Management Leases and budget requirements	May-18	General Manager Business Excellence	<p><u>8 May 2018</u> New lawyer contracted for support, leases to be ready for discussion with reserves in October 2018</p> <p><u>7 August 2018</u> Draft lease received from Lawyers.</p> <p><u>November 2018</u> Draft lease developed, started correspondence with Reserve Committees</p> <p><u>February 2019</u> Lease templates approved by Council and discussions with 3rd parties held. Expect completion August 2019 depending on availability of reserve committees.</p> <p><u>September 2019</u> On hold due to Interim CEO duties of DCCS</p> <p><u>February 2020</u> Draft leases and funding agreements to be discussed with reserve management boards.</p> <p><u>September 2020</u> Leases signed by 3 out of 4 recreation reserves (4th one to be signed in September) Funding agreements - under development and nearing completion with 4 out of 5 reserves (FPSRR delayed due to Governance review)</p> <p><u>December</u> Humpty Doo Village Green has dissolved the committee. Reserve to be handed over to Council officially in February 2021. Funding agreements in DRAFT for all reserves except Freds Pass, which will require an extensive amount of work. Funding agreement to come into place 21/22 budget.</p>
Develop Inspection/Maintenance program	Jun-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> Schedules have been completed and are with the relevant responsible officers for final review. Expect sign off by next RMAC meeting.</p> <p><u>2 Jan 2019</u> Development of maintenance schedule actions rolled up into one action for consistency and ease of reporting.</p> <p><u>February 2019</u> Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements for reserves. Tree and playground inspection program under development. Proposed target - May 2019</p> <p><u>February 2020</u> <u>September 2020</u> Playground inspection/maintenance program in place Cemetery Reserves Supervisor now employed - expect Tree inspection program complete by Dec 2020</p> <p><u>December</u> Tree inspection program completed. Inspection/maintenance program required for buildings on reserves - assessing internal resourcing to determine whether building maintenance for reserves will remain with Community or be moved to Infrastructure. Program can then be developed. Drainage/footpaths - DRAFT inspection/maintenance schedule has been developed and implementation is due to start end of February.</p>

Litchfield Council Risk Dashboard Action Status Report

Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	General Manager Business Excellence	<u>February 2019</u> In progress. Library procedures to be included. Expect finalisation August 2019 <u>September 2019</u> On hold due to Interim CEO duties of DCCS <u>February 2020</u> Draft procedures for events developed and under review <u>September 2020</u> documentation around community services procedures in draft, Core Corporate service procedures in development <u>December</u> In progress	
Develop template for risk assessments of Council run events	Jun-20	Community Development Program Leader	<u>February 2020</u> New Action <u>September 2020</u> A draft template for risk assessments has been developed. Still requires refining and finalising. <u>December</u> Completed	
RP12 - Inadequate Project/Change Management		Risk	Control	
		Moderate	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Establish Council Project Management Methodology	Jun-18	Manager Infrastructure & Assets	<u>7 August 2018</u> Project management processes are being revised to enable a project management methodology to be prepared. <u>February 2019</u> Reporting process improvements in place and development of asset management plans assist in project identification, improving the operational control of projects and reducing the risk, however methodology development for project management yet to commence, which will need to align with contract management review and system. Proposed target – December 2019 <u>September 2019</u> See RMAC Agenda Item 8.1 3 September 2019 <u>February 2020</u> No update <u>September 2020</u> Project management outline developed, procedures to be developed <u>December</u> Completed	
RP13 - Inadequate Engagement Practices		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Standardised community information processes for Road Network	Dec-18	Manager Infrastructure & Assets	<u>February 2019</u> This is included as a procedure to be prepared for the Infrastructure and Assets section. Proposed target – April 2019 <u>September 2019</u> No further action <u>February 2020</u> In progress <u>September 2020</u> Community consult guideline to be developed <u>January 2021</u> No progress - Manager Infrastructure Assets resigned, position is currently vacant. <u>February 2021</u> The completed Project Management Framework, includes a communication plan outline. Action completed. Further to this action, a community engagement toolkit is under development to further aid staff.	

Litchfield Council Risk Dashboard Action Status Report

RP14 - Inadequate Procurement / Supplier / Contract Management		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	Comments & Review History
Develop a contract management system	Jun-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> Project management processes are being revised to enable a project management methodology to be prepared.</p> <p><u>February 2019</u> 60% complete – existing system capabilities are being utilised for contract management where available. To be reviewed in conjunction with internal audit scheduled relating to Contract Management.</p> <p><u>September 2019</u> Proposed target – September 2019</p> <p><u>September 2019</u> See RMAC Agenda Item 8.1 3 September 2019</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Contract Management outline developed, procedures to be developed</p> <p><u>January 2021</u> Procedures being finalised, expect completion prior to Feb 21.</p> <p><u>February 2021</u> Procedures finalised, outlined in PIC meeting minutes.</p> <p>Action completed.</p>
RP15 - Inadequate Asset Sustainability Practices		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	Comments & Review History
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> The Thorak Cemetery asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed</p> <p><u>February 2019</u> Refer to RP9: Asset management plans in progress. All asset management plans include renewal requirements.</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Asset management working group are meeting on 16/9/20. Will be reviewing membership and updating terms of reference for group. Working group will then review the prioritisation of the outstanding asset management plans.</p> <p><u>December</u> Asset management plan schedule confirmed by PACMan committee.</p> <p>1. Thorak Cemetery - complete 2. Road assets - complete 3. Plant and Equipment - in draft due June 2021 4. Driveways - in draft due June 2021</p>
Develop Inspection/Maintenance program	Oct-18	General Manager Infrastructure & Operations	<p><u>7 August 2018</u> A draft maintenance schedule covering the Mobile Workforce, Waste Transfer Stations and the Administration building has been submitted to the Director of Infrastructure and Operations for review and is on track for October 2018 completion.</p> <p><u>February 2019</u> Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements.</p> <p>Programs relating to all other infrastructure assets will be incorporated into relevant Asset Management Plans.</p> <p>Proposed target – key requirement is complete relating to buildings, all others to be complete by December 2019</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Playground inspection/maintenance program in place Cemetery Reserves Supervisor now employed - expect Tree inspection program complete by Dec 2020</p> <p><u>December</u> Tree inspection program completed.</p> <p>Inspection/maintenance program required for buildings on reserves - assessing internal resourcing to determine whether building maintenance for reserves will remain with Community or be moved to Infrastructure. Program can then be developed.</p> <p>Drainage/footpaths - DRAFT inspection/maintenance schedule has been developed and implementation is due to start end of February.</p>

Litchfield Council Risk Dashboard Action Status Report

		Risk	Control	
RP16 - Ineffective HR Management / Employment Practices		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Develop Corporate Training Program	Oct-18	Manager People & Performance	<u>February 2019</u> In progress <u>February 2020</u> In progress <u>September 2020</u> Corporate training program in development December E-learning software close to completion.	

RP2 - Business and Community Disruption**Jan-18****This Risk Theme is defined as:**

Failure to adequately prepare and respond to events that cause disruption to the local community and/or normal Local Government business activities. The event may result in damage to buildings, property, plant and equipment, lack of availability of key staff and/or interruptions to supply chain.

This does include;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to 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 etc

Note: This does not include IT and/or communications systems and infrastructure related failures - refer "Failure of IT and/or Communication Systems and Infrastructure".

Potential causes includes:

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended Power Outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Owner	Date	Rating
Business Continuity Framework (Policy & Procedures)	Preventative	Policy & Governance Program Leader	14/09/2017	Inadequate
Business Continuity Plans	Responsive	Policy & Governance Program Leader	14/09/2017	Adequate
Cyclone Plan	Responsive	General Manager Infrastructure & Operations	14/09/2017	Adequate
Fire Management Plan	Preventative	Mobile Workforce Program Leader	14/09/2017	Excellent
Council Property Inspections for Compliance (Informal) (Doc id 458315)	Detective	Asset Engineer	27/02/2020	Adequate
Pre cyclone clean up	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Risk management framework (Doc id 447380)	Preventative	Policy & Governance Program Leader	3/03/2020	Adequate
Risk management and audit committee (Doc id 447381)	Preventative	Policy & Governance Program Leader	3/03/2020	Adequate
Emergency Management Procedures/Drills	Responsive	General Manager Infrastructure & Operations	14/09/2017	Adequate
Overall Control Ratings:				Adequate

Risk Ratings		Rating
Consequence:		Moderate
Likelihood:		Unlikely
Overall Risk Ratings:		Moderate

Key Indicators	Tolerance	Date	Overall Result
Vegetation slashing and mowing of 900kms of road network before July fire bans	2 rounds		
Fire breaks and road reserve slashing of 1000kms within Council excised land	>75%		
Lost time due to plant and equipment breakdown	<20hrs		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption, reputation and environmental impacts. Noting the risk refers to Councils ability to adequately and appropriately fulfil its role and responsibilities to prepare and/or respond to a disruptive event, not the disruptive event itself.

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Council Business Continuity Framework and Action Plan	Jun-18	Policy & Governance Program Leader

RP3 - Inadequate Environmental Management**Jan-18****This Risk Theme is defined as:**

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 control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

Potential causes include:

- Inadequate Management of Landfill Sites
- Lack of Understanding / Knowledge
- Inadequate Local Laws / Planning Schemes
- Inadequate Reporting / Oversight Frameworks
- Community Apathy
- Heavy Vehicles on Reserves

Key Controls	Type	Owner	Date	Rating
WTS Environmental Management Plans (Doc id 447588)	Preventative	Waste Program Leader	21/11/2019	Adequate
Waste Management Strategy	Preventative	Waste Program Leader	1/06/2018	Excellent
Contamination Register - MWF	Detective	Mobile Workforce Program Leader	21/12/2018	Inadequate
Contamination Register - Thorak (Doc id 428179)	Detective	Cemetery & Parks Program Leader	26/04/2019	Adequate
Asbestos Register (Doc ID 416357)	Detective	Manager Infrastructure & Assets	14/09/2017	Excellent
Weed Control Schedule	Preventative	Mobile Workforce Program Leader	14/09/2017	Adequate
Support Local Environmental Groups	Preventative	General Manager Business Excellence	14/09/2017	Adequate
Environmental Management / Response Plans	Responsive	General Manager Infrastructure & Operations	14/09/2017	Inadequate
Erosion Control Road Side Drains	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Reporting of Listed Waste	Preventative	Waste Program Leader	14/09/2017	Adequate
Landfill Rehabilitation	Preventative	Waste Program Leader	14/09/2017	Adequate
Ranger (Dogs) Service (Doc ID 415880)	Preventative	Waste Program Leader	14/09/2017	Adequate

Overall Control Ratings:**Adequate****Risk Ratings****Rating****Consequence:** Moderate**Likelihood:** Rare**Overall Risk Ratings:****Low**

Key Indicators	Tolerance	Date	Overall Result
Weed spraying roadside furniture and target Gamba grass and classified weeds	150000L		
Waste tonnage transferred to Shoal Bay	<10000t		
% of green waste received that is on-sold as mulch	>80%		
% of erosion repairs to road side drainage	?		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to environmental impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP4 - Errors, Omissions, Delays and Incorrect Advice**Jan-18****This Risk Theme is defined as:**

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

Potential causes include:

- Human Error
- Inadequate Procedures or Training
- Lack of Staff (or trained staff)
- Incorrect Information
- Miscommunication

Key Controls	Type	Owner	Date	Rating
Documented Operational Procedures / Checklists (Doc ID 408679)	Preventative	Policy & Governance Program Leader	14/09/2017	Inadequate
Complaints and Requests Register (CRM)	Detective	General Manager Business Excellence	14/09/2017	Inadequate
Senior Manager Oversight to Elected Members Information	Detective	CEO	14/09/2017	Adequate
Utilise External Expertise / Consultants	Preventative	CEO	14/09/2017	Adequate
Segregation of Duties (Financial Control)	Preventative	Manager Corporate Services	14/09/2017	Adequate
Performance Review Process	Detective	Manager People & Performance	14/09/2017	Adequate
Media and Communications Resource	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Development and Subdivision Standards (Doc id 419760)	Preventative	Project Management Program Leader	9/01/2019	Adequate
Staff Meetings (Briefings / Debriefings)	Preventative	CEO	14/09/2017	Adequate
Overall Control Ratings:				Adequate

Risk Ratings		Rating
Consequence:		Moderate
Likelihood:		Possible

Overall Risk Ratings:		Moderate
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Key Indicators	Tolerance	Date	Overall Result
Issue work permits associated with a Development Permit with in 5 days	90%		
Issue clearances for development	<10days		
Investigations completed within 14 days	>90%		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate reputational and financial impacts. Noting that this level of risk may be realised through incorrect approvals.

Current Issues / Actions / Treatments	Due Date	Responsibility
Formalise Procedures, Documentation and Checklists for Core Operations - Finance	Jun-18	Manager Corporate Services
Formalise Procedures, Documentation and Checklists for Core Operations - Works	Apr-18	Manager Infrastructure & Assets
Formalise Procedures, Documentation and Checklists for Core Operations - Customer Services	Sep-18	General Manager Business Excellence
Review the CRM system	Oct-18	General Manager Business Excellence
Formalise Procedures, Documentation and Checklists for Core Operations - Community Services	Sep-18	Community Development Program Leader

RP5 - External Theft and Fraud (inc. Cyber Crime)**Jan-18****This Risk Theme is defined as:**

Loss of funds, assets, data or unauthorised access, (whether attempts 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 (no deceit)

Potential causes include:

- Inadequate Security of Equipment / Supplies / Cash
- Robbery
- Scam Invoices
- Lack of Supervision / Unauthorised Entry

Key Controls	Type	Owner	Date	Rating
Visitor Sign In	Detective	Manager Corporate Services	14/09/2017	Adequate
Keyed Access Controls - Admin Building	Preventative	General Manager Business Excellence	14/09/2017	Adequate
Monitored Alarm - Admin Building	Detective	General Manager Business Excellence	14/09/2017	Adequate
Cash Handling procedures	Preventative	Manager Corporate Services	14/09/2017	Adequate
Staff Inductions	Preventative	Manager People & Performance	14/09/2017	Adequate
Restricted and Registered Keys	Preventative	Manager Corporate Services	14/09/2017	Adequate
After Hours Security	Detective	General Manager Business Excellence	14/09/2017	Adequate
System Checks for New Creditors	Preventative	Manager Corporate Services	14/09/2017	Adequate
Access Control for Online Banking (Dual Signatory)	Preventative	Manager Corporate Services	14/09/2017	Adequate
Delegation Manual	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Disposal of assets process/forms	Detective	Manager Corporate Services	30/11/2017	Adequate
Credit Card policy	Preventative	Manager Corporate Services	1/06/2018	Excellent
Investment policy	Preventative	Manager Corporate Services	1/06/2018	Excellent
Audit reports (Monthly report, Weekly AP report)	Preventative	Manager Corporate Services	1/06/2018	Excellent
Separation of Duties	Preventative	General Manager Business Excellence	1/06/2018	Excellent
Invoice approval process	Preventative	Manager Corporate Services	30/11/2017	Adequate
Manned Access Control at Off-site Locations (Except BSWTS)	Preventative	Waste Program Leader	14/09/2017	Adequate
Asset Management System - Asset Register (Doc id 458336)	Detective	Manager Corporate Services	27/02/2020	Adequate
CCTV	Detective	General Manager Business Excellence	14/09/2017	Adequate
IT Firewall Systems	Preventative	Information Technology Program Leader	14/09/2017	Adequate

Overall Control Ratings:**Adequate****Risk Ratings****Rating****Consequence:** Moderate**Likelihood:** Unlikely**Overall Risk Ratings:****Moderate**

Key Indicators	Tolerance	Date	Overall Result
<i>Number of actual / attempted theft and fraud incidents</i>			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP6 - ICT Systems and Infrastructure Failure**Jan-18****This Risk Theme is defined as:**

Instability, degradation of performance, or other failure of ICT Systems and 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.

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

Potential causes include:

- Weather impacts
- Vendor Failures
- Outdated / inefficient hardware
- Sabotage
- Power failure
- Infrastructure Breakdown
- Lack of Training
- Lack of Configuration Management

Key Controls	Type	Owner	Date	Rating
Data Back Up Systems (manual process) (DOC ID. 438060)	Responsive	Information Technology Program Leader	24/01/2020	Excellent
Performance Monitoring (DOC ID. 438119)	Detective	Information Technology Program Leader	20/08/2019	Adequate
UPS / Generator (DOC ID. 438122)	Responsive	Information Technology Program Leader	20/08/2019	Excellent
Disaster Recovery Plan (Doc ID. 438090)	Responsive	Information Technology Program Leader	14/11/2019	Adequate
ICT Infrastructure Replacement / Refresh Program (DOC ID. 438116)	Preventative	Information Technology Program Leader	14/11/2019	Adequate
ICT Governance/Policy Framework (Doc ID. 394988 & 438114)	Preventative	Information Technology Program Leader	28/08/2019	Adequate
Internal Service Level Agreements (Doc ID. 438120)	Preventative	Information Technology Program Leader	20/08/2019	Adequate
Microwave Connection with Off-site Locations (Doc ID 438118)	Responsive	Information Technology Program Leader	18/11/2019	Adequate
Telstra land lines (Doc ID 438121)	Preventative	Information Technology Program Leader	18/11/2019	Adequate
Land Lines at Off-site Locations (Thorak and Waste Transfer Stations) DOC IDs 394993 & 438121	Preventative	Information Technology Program Leader	18/11/2019	Adequate
Vendor Support (Doc ID 439170)	Preventative	Information Technology Program Leader	18/11/2019	Adequate
ICT Improvement Plan (Doc id 448415)	Preventative	Information Technology Program Leader	3/03/2020	Adequate
ICT Access Control and Approval Procedures (438106)	Preventative	Information Technology Program Leader	14/11/2019	Adequate

Overall Control Ratings:**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible

Overall Risk Ratings:**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Acknowledgement of the lodgement of technology issue	<1day		
Resolution of Category 1 Urgent technology issue	<2days		
Resolution of Category 2 Moderate technology issue	<5days		
Resolution of Category 3 Non-urgent technology issue	<15days		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption and compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Information Technology Program Leader
Develop high level ICT business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	Information Technology Program Leader
Mitigate legacy software platforms (Windows Server) (Item 5.1.4)	Feb-20	Information Technology Program Leader
Develop Unified Communications (Voice/Video/Data) – Telecommunications plan. (Item 2.1.4)	Feb-20	Information Technology Program Leader
ICT Security Audit 2020 - Actions	Dec-21	Information Technology Program Leader

RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements**Jan-18****This Risk Theme is defined as:**

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

It does include the Local Government Act and all other legislative based obligations for Local Government. This **does not** include Safety & Health Legislation (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective HR Management / Employment practices")

Potential causes include:

- Lack of Training, Awareness and Knowledge
- Staff Turnover
- Inadequate Record Keeping
- Ineffective Processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective Monitoring of Changes to Legislation

Key Controls	Type	Owner	Date	Rating
Compliance Checklist	Detective	Policy & Governance Program Leader	14/09/2017	Adequate
Compliance Calendars	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Councils Policy Framework	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
External Auditor Reviews (Financial Compliance)	Detective	Policy & Governance Program Leader	14/09/2017	Adequate
External/ Internal Auditor Reviews (Other Compliance)	Detective	Policy & Governance Program Leader	14/09/2017	Inadequate
Monitor Legislative Changes / Subscriptions	Detective	Policy & Governance Program Leader	14/09/2017	Adequate
Induction Process - Councillors / Staff	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Staff Network Channels	Detective	CEO	14/09/2017	Adequate
Legislative Reporting to Regulators	Detective	General Manager Business Excellence	14/09/2017	Adequate
Internal Compliance Audit - Quarterly	Detective	Policy & Governance Program Leader	14/09/2017	Adequate
Scheduled Review of Council Policies and Delegations	Detective	Policy & Governance Program Leader	14/09/2017	Adequate
Tender Process	Preventative	General Manager Business Excellence	14/09/2017	Adequate
Road Openings and Road Closures Procedures (Doc id 420364)	Preventative	Project Management Program Leader	11/01/2019	Excellent
Annual review of external auditor by RMAC	Preventative	Manager Corporate Services	3/03/2020	Adequate
Dog By-laws administration (Doc id 456989)	Preventative	Regulatory Services Program Leader	27/02/2020	Excellent
Internal Audit Program (Doc ID 417918)	Detective	Policy & Governance Program Leader	8/05/2018	Excellent

Overall Control Ratings:**Adequate****Risk Ratings****Consequence:**

Major

Likelihood:

Unlikely

Overall Risk Ratings:**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Compliance with management, statutory and regulatory budgeting and reporting	100%		
Compliance with legislative requirements as per DOLG Compliance Checklist	100%		
Risk Management Audit Committee Meetings	4 per year		
Internal Audits conducted as defined in Annual Internal Audit Program	3 per year		
Replace non-compliant signs in the signage program to Australian Standards	100%		
Compliance with Cemetery regulations	100%		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major compliance impact

Current Issues / Actions / Treatments	Due Date	Responsibility

RP8 - Inadequate Safety and Security Practices**Jan-18****This Risk Theme is defined as:**

Non-compliance with the Health and Safety Legislation, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.

Other considerations are:

- 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 security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

Potential causes include:

- Lack of Appropriate PPE / Equipment
- Inadequate Signage, Barriers or other Exclusion Techniques
- Inadequate First Aid Supplies or Trained Staff
- Storage and Use of Dangerous Goods
- Rubbish / Litter Control
- Ineffective / Inadequate Testing, Sampling (similar) Health Based Req
- Inadequate Security Arrangements
- Lack of Mandate and Commitment from Senior Management

Key Controls	Type	Owner	Date	Rating
Workplace Inspections - Off-site Locations	Preventative	General Manager Infrastructure & Operations	14/09/2017	Adequate
Workplace Inspections - Administration	Preventative	General Manager Business Excellence	14/09/2017	Inadequate
WHS Policy	Preventative	Manager People & Performance	14/09/2017	Adequate
Safety Management System/Framework	Preventative	Manager People & Performance	14/09/2017	Adequate
Contractor Inductions / Safety Requirements	Preventative	Manager People & Performance	14/09/2017	Inadequate
Toolbox Meetings	Preventative	Manager People & Performance	14/09/2017	Adequate
Inventory Hazardous Goods and MSDS	Preventative	Manager Operations & Environment	14/09/2017	Adequate
PPE	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Staff Uniforms (protective)	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Training Register (HR File)	Preventative	Manager People & Performance	14/09/2017	Inadequate
Operator License Checks (Outdoor Workforce)	Detective	Manager People & Performance	14/09/2017	Adequate
Driver License Checks	Detective	Manager People & Performance	14/09/2017	Excellent
Asbestos Register (Doc ID 416357)	Detective	Manager Infrastructure & Assets	27/02/2020	Adequate
Fleet Vehicle and plant Safety Requirements	Preventative	General Manager Infrastructure & Operations	14/09/2017	Inadequate
Conflict Resolution Training - Frontline Staff	Preventative	Manager People & Performance	14/09/2017	Inadequate
Fire Safety Systems Check (Doc id 458348)	Detective	Manager Infrastructure & Assets	27/02/2020	Excellent
Electrical Tag and Test (Doc ID 416358)	Detective	Manager Infrastructure & Assets	27/02/2020	Adequate
Incident/Accident and Damage Reporting	Detective	Manager People & Performance	14/09/2017	Adequate
Staff Inductions	Preventative	Manager People & Performance	14/09/2017	Adequate
Insurance Cover	Preventative	General Manager Business Excellence	30/11/2017	Adequate
Works Permit – Public Liability Insurance (Doc id 419761)	Preventative	Project Management Program Leader	9/01/2019	Adequate
first aid kits and fire extinguishers in all Council vehicles	Preventative	Manager Infrastructure & Assets	8/05/2018	Excellent

Overall Control Ratings:**Inadequate****Risk Ratings****Rating****Consequence:**

Major

Likelihood:

Possible

Overall Risk Ratings:**High**

Key Indicators	Tolerance	Date	Overall Result
Number of WorkSafe Notifiable Incidents			
Lost Time Injuries			
Public liability Insurance claims			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major injury, financial and compliance impacts. Note the inadequate overall control rating is from the perspective of Council as an organisation and may not be reflective of individuals and/or individual work areas approaches to safety.

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Existing Safety Practices and Develop Council Safety Management Systems	Sep-18	Manager People & Performance

RP9 - Ineffective and Unsustainable Financial Management				Jan-18
This Risk Theme is defined as: Failure to ensure Council manages its finances in a responsible and sustainable manner in the short and long term.				
Potential causes include: <ul style="list-style-type: none"> Historical Legacy Uncertainty of Funding Sources Lack of Information (Assets, Debtors) <ul style="list-style-type: none"> Lack of Policy Framework Investment Performance Council Decisions 				
Key Controls	Type	Owner	Date	Rating
Long Term Financial Plans	Preventative	Manager Corporate Services	14/09/2017	Adequate
Finance Reports Monthly	Detective	Manager Corporate Services	14/09/2017	Adequate
Internal Audit Program (Doc ID 417918)	Detective	Policy & Governance Program Leader	8/05/2018	Adequate
External Audit Program	Detective	Manager Corporate Services	14/09/2017	Adequate
Delegation Manual	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
General Ledger and Journal control	Preventative	Manager Corporate Services	14/09/2017	Adequate
Finance Policies	Preventative	Manager Corporate Services	14/09/2017	Adequate
Segregation of Duties	Preventative	Manager Corporate Services	14/09/2017	Adequate
Developer Contribution Plan (Doc ID 415869)	Preventative	Project Management Program Leader	14/09/2017	Inadequate
Budgets - Reviews	Preventative	Manager Corporate Services	14/09/2017	Adequate
Project management of capital projects	Preventative	General Manager Infrastructure & Operations	30/11/2017	Adequate
Rating strategy	Preventative	Manager Corporate Services	30/11/2017	Adequate
Investment policy	Preventative	Manager Corporate Services	30/11/2017	Adequate
Asset management system - Capital value records	Preventative	Manager Corporate Services	30/11/2017	Adequate
Grant acquittal	Preventative	Manager Corporate Services	30/11/2017	Adequate
Rating parameters approval by Finance Manager	Preventative	Manager Corporate Services	30/11/2017	Excellent
Debt Recovery - processes and agreements	Responsive	Manager Corporate Services	14/09/2017	Excellent
Risk Management and Audit Committee (Doc id 447381)	Detective	Policy & Governance Program Leader	3/03/2020	Adequate
Asset Management Plans	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Rating Policy	Preventative	Manager Corporate Services	14/09/2017	Adequate
Annual review of financial manuals and procedures	Preventative	Manager Corporate Services	2/03/2020	Adequate
Asset Valuations (Doc id 458338)	Preventative	Manager Infrastructure & Assets	27/02/2020	Excellent
Overall Control Ratings:				Adequate
Risk Ratings				Rating
Consequence:				Major
Likelihood:				Unlikely
Overall Risk Ratings:				Moderate
Key Indicators	Tolerance	Date	Overall Result	
Current Years Rates Outstanding	<15%			
Rates Coverage Ratio	>50%			
Liquidity Ratio	>1:1			
Asset Sustainability Ratio	90%			
Grants Acquired Within Timeframes	100%			
Comments				
As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts				
Current Issues / Actions / Treatments	Due Date	Responsibility		
Review Developer Contribution Plan	Jun-18	Project Management Program Leader		
Implementation of Procurement Audit Findings	Jun-18	General Manager Business Excellence		
Asset management plans in progress	Jul-18	Manager Infrastructure & Assets		
Review payroll procedures	Jun-20	Manager Corporate Services		

RP10 - Ineffective Management of Public Facilities / Venues / Events**Jan-18****This Risk Theme is defined as:**

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Potential causes include:

- Double Bookings
- Illegal Alcohol Consumption
- Managing Bond Payments
- Animal / Pest Contamination.
- Reliance on External Management of Facilities
- Access to Facilities / Venues.

Key Controls	Type	Owner	Date	Rating
Booking / Permit System	Preventative	Community Development Program Leader	14/09/2017	Adequate
Inspection and Maintenance Program - Other Assets (Doc id 458319)	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Community Feedback Process	Detective	Community Development Program Leader	14/09/2017	Adequate
Event Management, Risk Assessments, Emergency Procedures (Doc id 458494)	Preventative	Community Development Program Leader	2/03/2020	Inadequate
Outsource Management at Key Recreational Reserve	Preventative	Manager Community Services	14/09/2017	Inadequate
Operations Manuals	Preventative	Manager Community Services	14/09/2017	Inadequate
Conditions of Entry to Public Facilities	Preventative	Manager Community Services	14/09/2017	Adequate
Community Events Procedures on Public Land	Preventative	Manager Community Services	14/09/2017	Adequate
Public Building Compliance	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Alcohol Management	Preventative	Manager Community Services	14/09/2017	Adequate
Noise Management	Preventative	Manager Community Services	14/09/2017	Adequate
Asbestos Register (Doc ID 416357)	Preventative	Manager Infrastructure & Assets	30/11/2017	Adequate
Removal of abandoned vehicles (Doc id 456987)	Preventative	Regulatory Services Program Leader	27/02/2020	Adequate
Tree management plan	Preventative	Manager Infrastructure & Assets	3/03/2020	Adequate
Playground inspection program	Preventative	Manager Infrastructure & Assets	3/03/2020	Adequate
Budgets to Support Public Facilities	Preventative	CEO	14/09/2017	Inadequate
Overall Control Ratings:				Inadequate

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Result
Overall community satisfaction from Annual Community Survey	>70%		
Number of community events			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate people and reputational impacts. Noting that Council has less control of this risk on public lands through reserve management.

Current Issues / Actions / Treatments	Due Date	Responsibility
Formalise Public Places By-Law	Jun-19	General Manager Business Excellence
Review Reserve Management Leases and budget requirements	May-18	General Manager Business Excellence
Develop Inspection/Maintenance program	Jun-18	Manager Infrastructure & Assets
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	General Manager Business Excellence
Develop template for risk assessments of Council run events	Jun-20	Community Development Program Leader

RP11 - Inadequate Records Management Processes**Jan-18****This Risk Theme is defined as:**

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of records and documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts
- Forms, requests or other documents.

Potential causes include:

- Spreadsheet/Database/Document Corruption or Loss
- Inadequate Access and/or Security Levels
- Inadequate Storage Facilities
- Staff Turnover / Loss of Corporate Knowledge
- Outdated Record Keeping Practices / Incompatible Systems
- Lack of System/Application Knowledge
- High Workloads and Time Pressures
- Incomplete Authorisation Trails

Key Controls	Type	Owner	Date	Rating
Central Record Systems (EDMS)	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Records Management Committee	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Records Management Process (Doc id 419406)	Preventative	Policy & Governance Program Leader	2/01/2019	Adequate
Records Management Policy (Doc id 419406)	Preventative	Policy & Governance Program Leader	2/01/2019	Adequate
Document / Correspondence Receipt / Action Process	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
On and Off Site Records Storage (Doc id 419960)	Preventative	Policy & Governance Program Leader	4/01/2019	Adequate

Overall Control Ratings:**Adequate**

Risk Ratings	Rating
Consequence:	Minor
Likelihood:	Possible

Overall Risk Ratings:**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Incoming documents entered into records management system	<1day		
Staff using records management system	>80%		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP12 - Inadequate Project/Change Management**Jan-18****This Risk Theme is defined as:**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements 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

Potential causes include:

- Lack of Communication and Consultation
- Lack of Investment
- Ineffective Management of Expectations (Scope
- Inadequate Project Planning (Resources/Budget)
- Lack of Project Methodology Knowledge and Reporting Requirements
- Inadequate Monitoring and Review
- Project Risks not Managed Effectively

Key Controls	Type	Owner	Date	Rating
Project Management Framework (Project Methodology)	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Project Budget Tracking	Detective	Manager Corporate Services	14/09/2017	Adequate
New Initiative Reporting	Detective	DIRECTORS	14/09/2017	Adequate
Council Adoption of New Initiatives	Preventative	CEO	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Manager Communications & Engagement	14/09/2017	Excellent
Project Status Reporting	Detective	DIRECTORS	14/09/2017	Adequate
Project Management Training	Preventative	Manager People & Performance	14/09/2017	Inadequate
Change Management Plan	Preventative	Manager People & Performance	14/09/2017	Inadequate

Overall Control Ratings:**Inadequate****Risk Ratings****Consequence:****Rating****Likelihood:**

Moderate

Possible

Overall Risk Ratings:**Moderate**

Key Indicators	Tolerance	Date	Overall Result
% Variation in Time, Cost, Scope or Quality of Project Estimates and Actuals			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Establish Council Project Management Methodology	Jun-18	Manager Infrastructure & Assets

RP13 - Inadequate Engagement Practices**Jan-18****This Risk Theme is defined as:**

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

Potential causes include:

- Budget / Funding Issues
- Media Attention
- Inadequate Documentation or Procedures
- Short Lead Times
- Miscommunication / Poor Communication (Internal / External)
- Relationship Breakdowns with Community Groups

Key Controls	Type	Owner	Date	Rating
Some Public Education Programs (Animal Management, Waste)	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Council Reports	Preventative	DIRECTORS	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Manager Communications & Engagement	14/09/2017	Excellent
Media Policy	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Communications Plans within Project Plans/Events	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Strategic Partner Lists	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Sponsorship Policy	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Councillor Bulletin	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Annual Rates Newsletters	Preventative	General Manager Business Excellence	14/09/2017	Adequate
Require Public Consultation prior to Granting Works Permit (Doc	Preventative	Project Management Program Leader	17/01/2019	Adequate
Pop Up Info and Consultation Stalls	Detective	Manager Communications & Engagement	14/09/2017	Adequate
Animal Management Plan (Doc id 456988)	Preventative	Regulatory Services Program Leader	27/02/2020	Excellent
Provision of economic and social data via Council website (Doc id 4472	Preventative	Policy & Governance Program Leader	3/03/2020	Excellent
Community Grants Scheme (Doc id 448168)	Preventative	Community Development Program Leader	2/03/2020	Adequate
Social Media/Website Updates	Preventative	Manager Communications & Engagement	14/09/2017	Adequate
Overall Control Ratings:				Adequate

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Result
Overall community satisfaction from Annual Community Survey	>70%		
Media Response Timeframe	<24hrs		
Professional Development Program for Councillors	>2		
Freds Pass Show??	Booth visitors		
Community Education Programs	2		
Dog Awareness Education Program delivered to Primary Schools	>2 per year		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Standardised community information processe for Road Network	Dec-18	Manager Infrastructure & Assets

RP14 - Inadequate Procurement / Supplier / Contract Management**Jan-18****This Risk Theme is defined as:**

Inadequate management of External Suppliers, Contractors, ICT Vendors or Consultants engaged for core operations and the associated procurement. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

Potential causes include:

- Funding
- Complexity and Quantity of Work
- Inadequate Tendering Process
- Historical Contracts
- Inadequate Contract Management Practices
- Ineffective Monitoring of Deliverables
- Lack of Planning and Clarity of Requirements

Key Controls	Type	Owner	Date	Rating
Contract Management System	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Local Government Guidelines (Doc id 447310)	Preventative	Policy & Governance Program Leader	14/09/2017	Adequate
Suppliers and Contractors WHS Requirements	Preventative	Manager People & Performance	14/09/2017	Inadequate
Strategic Relationship Map	Preventative	CEO	14/09/2017	Inadequate
Tender Procedure (Doc id 447431)	Preventative	Manager Infrastructure & Assets	15/04/2020	Adequate
Procurement Manual (Doc id 447431)	Preventative	Manager Infrastructure & Assets	15/04/2020	Adequate
FIN03 Procurement Policy (Doc id 447431)	Preventative	General Manager Business Excellence	15/04/2020	Adequate

Overall Control Ratings:**Inadequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Possible

Overall Risk Ratings:**High**

Key Indicators	Tolerance	Date	Overall Result
Number of contracts expired prior to renewal			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop a contract management system	Jun-18	Manager Infrastructure & Assets

RP15 - Inadequate Asset Sustainability Practices**Jan-18****This Risk Theme is defined as:**

Failure or reduction in service levels of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, and all other assets and their associated lifecycle from procurement to maintenance and ultimate 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.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include:

- Skill Level and Behaviour of Operators
- Lack of Trained Staff
- Outdated Equipment
- Unavailability of Information and/or Parts
- Lack of Formal or Appropriate Scheduling (Maintenance / Inspections)
- Unexpected Breakdowns

Key Controls	Type	Owner	Date	Rating
Asset Management System - Infrastructure	Preventative	Manager Infrastructure & Assets	21/12/2018	Inadequate
Asset Management Plans (Doc id 458323)	Preventative	Manager Infrastructure & Assets	27/02/2020	Inadequate
Asset Management Steering Group (Doc id 458322)	Preventative	Manager Infrastructure & Assets	27/02/2020	Excellent
Asset Management System - Asset Register	Preventative	Manager Corporate Services	21/12/2018	Adequate
Asset Handover Procedures (Doc id 420053)	Preventative	Regulatory Services Program Leader	17/01/2019	Adequate
Future Trends Analysis	Preventative	General Manager Business Excellence	14/09/2017	Inadequate
Land Asset Optimisation Strategy	Preventative	General Manager Business Excellence	14/09/2017	Inadequate
Conditional Analysis (Doc id 458339)	Detective	Manager Infrastructure & Assets	27/02/2020	Adequate
Asset Valuations (Doc id 458338)	Preventative	Manager Infrastructure & Assets	27/02/2020	Excellent
Community Engagement - Service Levels	Detective	CEO	14/09/2017	Inadequate
Inspection and Maintenance Program - Roads	Detective	Manager Infrastructure & Assets	14/09/2017	Adequate
Inspection and Maintenance Program - Drainage	Preventative	Manager Infrastructure & Assets	3/03/2020	Inadequate
Wet season road network management	Preventative	Manager Infrastructure & Assets	3/03/2020	Inadequate
Capital Works Program	Preventative	Manager Infrastructure & Assets	3/03/2020	Adequate
Street Lighting Program	Preventative	Manager Infrastructure & Assets	3/03/2020	Adequate
Road Network, Road Reserve and Fire Breaks on Council land slashing (447507)	Preventative	Mobile Workforce Program Leader	19/11/2019	Excellent
Inspection and Maintenance Program - Other Assets (Doc id 458319)	Detective	Manager Infrastructure & Assets	14/09/2017	Inadequate
Overall Control Ratings:				Inadequate

Risk Ratings		Rating
Consequence:		Major
Likelihood:		Possible
Overall Risk Ratings:		High

Key Indicators	Tolerance	Date	Overall Result
Asset sustainability ratio	90%		
Works (operating) program - as adopted, completed in agreed timeframes	>90%		
Works (capital) program - as adopted, completed in agreed timeframes	>90%		
Drainage / roads meet a condition rating of satisfactory or above	>75%		
Emergency works response mobilised	<48hrs		
Plant serviced within 3 days of service due date	100%		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Manager Infrastructure & Assets
Develop Inspection/Maintenance program	Oct-18	General Manager Infrastructure & Operations

RP16 - Ineffective HR Management / Employment Practices**Jan-18****This Risk Theme is defined as:**

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding H&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

Potential causes include:

- Leadership Failures
- Available Staff / Volunteers
- Single Person Dependencies
- Poor Internal Communications / Relationships
- Ineffective Performance Management Programs or Procedures.
- Ineffective Training Programs or Procedures.
- Limited Employment Market Availability
- Inadequate Induction Practices.

Key Controls	Type	Owner	Date	Rating
HR Policy and Procedures	Preventative	Manager People & Performance	14/09/2017	Inadequate
Performance Development Plans and Training Register	Detective	Manager People & Performance	14/09/2017	Adequate
Workforce Plan	Preventative	Manager People & Performance	14/09/2017	Inadequate
Staff Inductions (Code of Conduct Component)	Preventative	Manager People & Performance	14/09/2017	Adequate
Staff Surveys	Detective	Manager People & Performance	14/09/2017	Adequate
Recruitment Process	Preventative	Manager People & Performance	14/09/2017	Excellent
Corporate Training Plan	Preventative	Manager People & Performance	14/09/2017	Adequate
Training Budget	Preventative	CEO	14/09/2017	Adequate
Implement people and culture program	Preventative	Manager People & Performance	12/02/2018	Adequate
Litchfield Council Enterprise agreement	Preventative	Manager People & Performance	10/04/2019	Inadequate
Regular Staff Meetings	Preventative	CEO	14/09/2017	Adequate
Overall Control Ratings:				Adequate

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Result
Staff turnover rate	<20%		
Organisational development initiatives	3		
Professional development training for each staff member	<1		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to service interruption, people and financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Corporate Training Program	Oct-18	Manager People & Performance

RISK CONTROL STATUS

Key Control

Business Continuity Plan

Responsible Person/Position

Policy & Governance Program Leader

Risk Profile/s	Control Rating
RP2 - Business and Community Disruption	Adequate

Background

Preparing a BCP gives the organisation a process in which to evaluate the effective systems at Council. See link below to Business Continuity Plan and supporting documents.

<https://infoXpert.edrms/docs/~F83745>

History

7 August 2018

Item not on track. Research into existing frameworks at other Councils conducted. Investigated potential for consultancy to complete this action.

February 2019

No further progress. The emergency management plan has been updated and will include consideration of business continuity in relation to cyclone impacts. The creation of a whole of Council Business Continuity plan will have to be developed in house as resources permit.

September 2019

No further progress

February 2020

Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. This action is linked to RP6 ICT continuity plan

September 2020

Workshop held with Leadership Team 21/8/20 - In progress

December 2020

BCP complete

Recommendations

Recommend that the Business Continuity Plan (BCP) control be updated to adequate. The BCP has been developed in conjunction with the Leadership and Executive Teams and an external consultancy.



RISK CONTROL STATUS

Key Control

Safety Management System/Framework

Responsible Person/Position

Manager People & Performance

Risk Profile/s	Control Rating
RP8 - Inadequate Safety and Security Practices	Inadequate
Choose an item.	Choose an item.

Background

The purpose of the WHS Management Plan is to provide an overview of the Work, Health & Safety, Management Plan and the framework under which Work, Health & Safety risks are identified and managed at Litchfield Council.

History

February 2019

Updated WHS policy and procedures. Implemented updated forms and reporting requirements, trained staff on updated policy and procedures. WHS register implemented.

September 2019

Contract let to Latitude 12 to develop a WHS system to be completed by October 2019

November 2019

Draft WHS management plan complete and undergoing feedback prior to implementation. Once endorsed this plan will impact on several controls (RP3 Environmental Management/Response Plans, All RP8 controls ,

February 2020

Plan is complete. With the resignation of the Records Officer an opportunity exists to restructure and employ a specific WHS resource to implement the actions detailed in the plan

September 2020

Existing safety practices reviewed and safety management system developed, implementation being progressed.

February 2021

WHS Management Plan presented at all staff meeting, plan placed on front page of Infoxpert and hard copies dispersed to outdoor staff. Implementation will be ongoing subject to continual review and improvement. Action completed.

Current Issues / Actions / Treatments

Treatment 1

WHS Management Plan

<https://infoXpert.edrms/docs/~S?DocumentId=450133&Login=True>

Recommendations

Recommend updating control from inadequate to adequate.

RISK ACTION/TREATMENT STATUS

Action or Treatment

Implement Procurement Audit Findings

Risk Profile:

Risk Profile/s	Control Rating
RP14 - Inadequate Procurement / Supplier / Contract Management	Inadequate
RP1 - Misconduct	Adequate
Choose an item.	Choose an item.
Choose an item.	Choose an item.

Key Control

RP14 Controls – Procurement policies and Procedures; Contract Management System

Description/Update

The Procurement Improvement Committee (PIC) has been convened and has reviewed all recommendations from recent procurement audits which have been compiled into an actions sheet.

All procurement related risk actions and controls are referred to the PIC for feedback and confirmation.

The implementation of these updated actions contribute to Council implementing the procurement roadmap as listed in the actions sheet.

Outcome

The action will result in improvements to control ratings for RP14 Contract Management System, Procurement policies and procedures.

Evidence

Tender Procedure

<https://infoXpert.edrms/docs/~S?DocumentId=445466&Login=True>

Procurement Manual

<https://infoXpert.edrms/docs/~S?DocumentId=445523&Login=True>

Contract Management Framework

<https://infoXpert.edrms/docs/~S?DocumentId=489965&Login=True>

Project Management Framework

<https://infoXpert.edrms/docs/~S?DocumentId=489965&Login=True>

Recommendations

Procurement Manual and Tender Procedure are controls under RP14 and have a rating of adequate.

Recommend changing Contract Management System (RP14) control and Project Management System (RP12) control from inadequate to adequate.



RISK ACTION/TREATMENT STATUS

Action or Treatment

Review Payroll Procedures

Risk Profile:

Risk Profile/s	Control Rating
RP9 - Ineffective and Unsustainable Financial Management	Adequate

Key Control

Annual review of financial manuals and procedures

Description/Update

In 2019 Council had a payroll audit undertaken by KPMG. The audit triggered a prompted a change to procedures and processes.

Background

February 2020

New Action

September 2020

The main procedures that were affected in the payroll audit and backpay have been reviewed. All other procedures to be reviewed - to be completed by February 2021.

February 2021

Payroll procedures completed and implemented. Procedures subject to regular review and continuous improvement.

Action Complete

Evidence

<https://infoXpert.edrms/docs/~F78953>

Recommendations

Recommend the RCS Annual review of financial manuals and procedures be updated from inadequate to adequate.



RISK ACTION/TREATMENT STATUS

Action or Treatment

Standardised Community information processes for Road Network

Risk Profile:

Risk Profile/s	Control Rating
RP13 - Inadequate Engagement Practices	Adequate
Choose an item.	Choose an item.
Choose an item.	Choose an item.

Key Control

Communication Plans within Project Plans/Events

Description/Update

Ensuring Council Projects and events have a communication plan.

Background

February 2019

This is included as a procedure to be prepared for the Infrastructure and Assets section.

Proposed target – April 2019

September 2019

No further action

February 2020

In progress

September 2020

Community consult guideline to be developed

January 2021

No progress - Manager Infrastructure Assets resigned, position is currently vacant.

February 2021

The completed Project Management Framework, includes a communication plan outline. Action completed. Further to this action, a community engagement toolkit is under development to further aid staff.

Evidence

<https://infoXpert.edrms/docs/~S?DocumentId=489965&Login=True>

Recommendations

Recommend that control rating for Communication Plans within Project Plans/Events be updated from inadequate to adequate.

RMAC REPORT

Agenda Item Number:	8.7
Report Title:	Asset Revaluation Timeframe
Author:	Bianca Hart, Manager Corporate Services
Recommending Officer:	Arun Dias, Acting General Manager Business Excellence
Meeting Date:	23/02/2021
Attachments:	A: Timetable for asset revaluations

Executive Summary

This report provides details of the proposed asset revaluation timeline to be included in the upcoming asset management policy.

With consideration to compliance, budget and resource allocation it is proposed that Council undertake revaluations as follows with future revaluations to reoccur every three years for land and four years for all other assets:

ASSET CLASS	FINANCIAL YEAR
Roads (both sealed and unsealed)	FY 22
Buildings & other assets	FY 23

Recommendation

THAT the Risk Management and Audit Committee (RMAC);

1. endorse management's decision to undertake a comprehensive asset revaluation for Council's sealed and un-sealed road asset class at a regular interval of four years starting from 30 June 2022.
2. endorse management's decision to undertake a comprehensive asset revaluation for Council's building and other asset classes at a regular interval of four years starting from 30 June 2023. endorse management's decision to undertake a comprehensive revaluation of Council's land asset class at a regular interval of three years starting from 30 June 2023; and
3. endorse management's decision to undertake a desktop (indexation) revaluation annually for all assets carried under the revaluation method.

Background

Asset revaluations assist in ensuring the accuracy of the asset value and depreciation expense reflected in Council's financial statements.

Australian Accounting Standards Board (AASB) AASB116 'Property, Plant and Equipment' (AASB 116) requires:

- Comprehensive revaluations to be undertaken every 3-5 years; and
- Classes of assets be revalued at the same time.

It is also proposed during the intervening years between every cycle of comprehensive revaluation, a desktop valuation be undertaken to ensure adopted unit rates are appropriately indexed to reflect changes in economic conditions based on Consumer Price Index (CPI) and Council Cost Index (CCI) provided by the Local Government Association of Northern Territory (LGANT).

Council last revalued all assets in FY 18 at a cost of \$35,200. Land was comprehensively revalued as at 30 June 2020.

The nature of Council's Infrastructure assets except for Land, is such that their value is unlikely to fluctuate considerably in the short term. Given this, it is recommended that revaluations are scheduled every four years beginning with:

- Roads (both sealed and unsealed) FY22
- Buildings & other assets FY23

Further, it is recommended that asset unit rates are reviewed annually through a desktop revaluation, with consideration given to any factors (legislation changes / economic developments) that may affect asset values resulting in the need to revalue asset prior to the proposed four-year schedule.

Council is currently undertaking the asset condition inspection program for its Sealed road network. The scope of the project is limited to undertaking condition assessments for the road surface which is scheduled for completion by mid-December 2020. Council is currently prioritising condition assessments for the remaining road layers, that is, pavement base and sub-base to be scheduled in early 2021-22 financial year. By mid-2021-22 Council will have completed asset condition assessments across all layers of roads for the sealed road network. It is considered prudent to undertake a comprehensive revaluation for the sealed and un-sealed road asset classes by April 2022.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This report and recommendations are in compliance with AASB 116, the Local Government Act and Council Policy FIN00 'Accounting and Policy Manual' section 6.2.3.

Risks



One of the key deliverables of the asset condition project is to provide road surface unit rates. There is a risk unit rates provided as part of this project may deviate materially to unit rates used in the prior revaluation. AASB 116 (paragraph 34) requires management to adjust closing values of asset classes where there has been a material change in fair value. Should there be a material difference in fair value, Council will undertake a desktop revaluation with a view to update unit rates for financial year ending 30 June 2021.

Financial Implications

The previous valuation in 2018 was undertaken at a cost of \$35,200 however, it is recommended that future valuations include a higher level of detail in order to provide value which will in turn attract a significantly higher investment. Quotes will be obtained promptly for inclusion in the FY22 budget.

Community Engagement

Nil

TIMETABLE FOR ASSET REVALUATIONS

Asset Class	Written down value 30.06.20	Recognition method	Last revaluation	Next revaluation (Comprehensive)	Next revaluation (Desktop Indexation) or	Interval
Land	\$21,405,000	Revaluation	30 June 2020	30 June 2023	Annual	Three years
Buildings	\$25,036,046	Revaluation	30 June 2018	30 June 2023	Annual	Four Years
Sealed Roads	\$185,911,743	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Un-sealed Roads	\$22,245,838	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Road culverts	\$28,211,037	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Kerbs	\$1,034,435	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Driveway Crossings	7,405,560	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Footpaths	\$639,448	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Road Signs	\$450,570	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Point Generic	\$769,215	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Driveways	\$291,556	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Bicycle Paths	\$364,829	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Storm Waste Drains	\$608,490	Revaluation	30 June 2018	30 June 2022	Annual	Four years
Streetlights	\$364,829	Revaluation	30 June 2018	30 June 2023	Annual	Four years

Office Equipment	\$0	Historical cost	30 June 2018	30 June 2023	Not Applicable	Not Applicable
Plant Equipment	\$817,825	Historical cost	30 June 2018	30 June 2023	Not Applicable	Not Applicable
Motor Vehicles	\$1,119,459	Historical cost	30 June 2018	30 June 2023	Not Applicable	Not Applicable
Other Assets	\$0	Revaluation	30 June 2018	30 June 2023	Annual	Four years
Right of use asset	\$32,143	Historical cost	30 June 2018	30 June 2023	Not Applicable	Not Applicable
Thorak Buildings	\$1,757,873	Revaluation	30 June 2018	30 June 2023	Annual	Four years
Thorak Motor Vehicles	\$90,000	Historical cost	30 June 2018	30 June 2023	Not Applicable	Not Applicable
Thorak Land	\$2,500,000	Revaluation	30 June 2020	30 June 2023	Annual	Three years

9. Other Business

10. Confidential Items

Pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) regulations the meeting be closed to the public to consider the following Confidential Items:

10.1 ICT Forensic Report

Regulation 8(c) – information that would, if publicly disclosed, be likely to:

- (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or*
- (ii) prejudice the maintenance or administration of the law; or*
- (iii) prejudice the security of the council, its members or staff; or*
- (iv) prejudice the interests of the council or some other person;*

10.2 Appointment of External Financial Auditor

Regulation 8(c) – information that would, if publicly disclosed, be likely to:

- (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or*
- (ii) prejudice the maintenance or administration of the law; or*
- (iii) prejudice the security of the council, its members or staff; or*
- (iv) prejudice the interests of the council or some other person;*

11 Close of Meeting