

Risk and Regulation Action Plan – May 2024

Completed In progress Ongoing Not yet commenced Reviewed elsewhere

2022/23 Financial Audit

Area's Actions Required	Actions:	Date completed/ comment:
Corporate IT Strategy	Develop a Corporate IT Strategy for the Shire of Merredin that links to the business objectives outlined in the Shire of Merredin Corporate Business Plan.	
IT Policies/ Procedures	Though a range of processes are currently in place in relation to backups, physical security, HR security and a number of the other areas listed below, the Shire will formalise/ develop documented IT and Cyber Security policies/ procedures that include: <ul style="list-style-type: none"> - Access control (including Account management, Account requests and approvals, Account monitoring, User authentication, Account auditing) - Physical security - Backup protocols - Change management - HR security - Information classification - Data loss prevention 	
	Review policies created above and determine if further policies are required, or any amendments need to be made.	
IT Procedures	Formalise / develop a series of procedure documents / work instructions to support the policies referred to in Action 2.	
Permission Matrices	Permission matrices are in place for the new payroll system. Staff in the Finance Team who complete payroll for the Shire have administrative access and use two-factor identification to access the system. The Executive Manager Corporate Services is the overseer of this system and approves access levels. Employees only have access to enter timesheets and leave requests and check accruals and balances. They are unable to change data within the system. This has been implemented since 1 July 2023.	Completed 1.7.2023
	A review of user access of the Shire's accounting system has occurred to ensure appropriate access for staff. During the review,	Initial review completed Quarterly review completed 15.4.24

	<p>all staff access to the Shire's IT system was checked to ensure accuracy. Moving forward these reviews will be scheduled quarterly to ensure that security is maintained with the first review to take place prior to 31 January 2024.</p>	
	<p>A permission matrix document will be developed that outlines permissions to be assigned to each position in the organisations, as per the organisation structure, to guide future reviews.</p>	
Disaster Recovery Planning	<p>Desktop testing of the Disaster Recovery Plan will be completed by the Executive Management Team.</p>	<p>A new IT Disaster Recovery Plan has been developed and adopted at the OCM in April. Desktop testing will occur prior to 30 June 2024.</p>
	<p>A review of the Disaster Recovery Plan will occur once desktop testing has been completed to identify any amendments that may need to be made.</p>	
Password Policies	<p>All password settings in the IT system have been updated to reflect best practice recommendations. These include minimum 10 characters for passwords. This change was made when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed these are currently in place.</p>	<p>Completed 10.11.2023</p>
	<p>The password lockout threshold has been set to three attempts. This was completed when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed this is currently in place.</p>	<p>Completed 10.11.2023</p>
Privileged Accounts	<p>Removal of IT service providers administration status occurred during the Audit visit in September when attention was drawn to the issue.</p>	<p>Completed 10.11.2023 - A full audit of IT system users was completed at this time and the system reflects all staff and positions accurately.</p>
	<p>A procedure will be developed to ensure the IT system user review process is completed regularly (at least four times per year), as well as included in onboarding and offboarding processes moving forward.</p>	<p>New onboarding and offboarding templates have been developed and are now in use. Quarterly review added to Attain. Quarterly user access review completed 15.4.24</p>
	<p>Quarterly review dates will be added to the Shire's compliance system to ensure staff are alerted when reviews are due.</p>	<p>Review dates added to Attain 23.2.2024</p>
Cyber Security Training	<p>The Shire have completed testing over the previous 12 months to identify areas of risk by utilising phishing campaigns with staff and</p>	

	Councillors. It is recognised that further training is required and available training options for staff will be investigated.	
	Develop a training schedule to ensure all staff with network access are exposed to cyber security training at least annually.	
	Implement training, with initial roll-out to be completed by 30 June 2024.	

Financial Management Review

Recommendations:	Actions:	Date completed/ comment:
Bank Reconciliations processes require review to ensure current practices are documented.	Documented processes and procedures to be developed relating to bank reconciliations	
End of Month checklist to be developed to ensure all processes are completed.	The End of Month Checklist has been developed, however is not being used regularly. This will become part of the usual end of month process, with the EMCS to sign off each month moving forward. Some additional items will also be added to deal with items raised in the FMR relating to end of month procedures.	End of Month Checklist is now used at the end of each month to ensure all processes are complete. Further checklists will be put in place for each of the positions.
Appropriate segregation of duties relating to processes for sundry debtors credit notes need to be developed.	A new process was implemented upon receiving draft feedback on the FMR. All credit notes must now be requested by either an Exec Manager or the CEO with an explanation as to why the credit note is required. This will be formalised in a written document moving forward.	Written document has been completed and will be placed in the Debtors Procedure Manual.
In future, the rates notices / newsletters need to contain a statement of objects and reasons for imposing differential rates, differential minimums and service charges.	As part of the move to digital rates being offered to ratepayers from the 2024/25 financial year, the rear page of the rates notice has been reviewed with some additional information provided. The rates newsletter will also be updated to contain the information outlined by Moore prior to being sent out.	This will be completed when the 2024/25 rates modelling and billing occurs.
Key reconciliations should be completed prior to the finalisation of the monthly financial reports.	This will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	These processes are now included in the End of Month Checklist. These are currently checked each month and the EOM checklist is reviewed and authorised. This will continue to be completed moving forward.
Segregation of duties relating to procurement related activities need to be reviewed and documented.	The finance team are currently reviewing processes around purchasing and developing a recommendation for processes moving forward. This has been ongoing for a number of months and has included seeking advice from other local governments on	New processes have been rolled out across the organisation to ensure compliance. A Procedure and related

	what options are available. The current process has not been flagged by the auditors as presenting any issues.	work instruction have been developed to support staff with the transition. A new procedure template has been developed to ensure consistency across the organisation.
ABA banking files storage location to be reviewed to improve security.	Though the current location is locked to only a handful of staff, it has been recommended that no more than three or four staff have access.	An additional storage location has been created for the Payroll ABA file with restricted access.
Monthly payroll reconciliations noted three imbalances, however these imbalances were reported at the time and records were maintained to support the reasons for the imbalances. It is suggested that these controls and practices are continued.	The current controls will be documented to ensure their continuation.	Monthly payroll reconciliations are completed and imbalances rectified prior to the commencement of the following pay. A payroll end of month checklist will be implemented to ensure processes continue.
Two staff members did not sign credit card agreements at the time of receiving their credit cards, however a process was implemented mid-last year that has ensured all card holders since have completed this agreement.	There was previously no credit card agreement for staff to sign when there were issued with their credit cards, at the time this was highlighted this was rectified and staff receiving their cards since then have signed the agreement and been added to the register.	Completed September 2023. New staff sign agreements and are added to the register at the time of receiving their credit cards.
Credit card reconciliations are not completed prior to the monthly funds direct debit being completed. The recommendation is for staff to check their statements earlier in the billing cycle.	The EMCS will check credit card statements when pulling through creditor / payroll batches each week and check any suspicious looking transactions with the respective executive. A work instruction for this will be developed.	The practice has commenced, however the work instruction / register has not yet been developed.
Fixed asset reconciliations are delayed until the sign off of the annual financials each year, the reviewers suggest that attention be drawn to this in the monthly statement of financial activity.	In future, a comment will be included in the monthly statement of financial activity for months prior to the completion of the Fixed Asset Reconciliations until the sign off of the Annual Financial Report.	Fixed Asset Reconciliations were completed in December 2023 and reported in the monthly statement of financial activity. A note will be made in the July 2024 monthly report until completion of Asset Reconciliations.
A review of the asset register to ensure depreciation details match key accounting information requirements. Ensure updates to the asset register include review and authorisation by an independent officer.	An annual process will be implemented as part of the End of Year Checklist to review the asset register and ensure depreciation rates match to the accounting information requirements and any changes required are reviewed and authorised by the EMCS.	A review of asset register was completed in March 2024, reconciliation with accounting depreciation rates is expected to be completed in August 2024.
Regular review of cost reallocations to ensure accuracy and so that administration costs are not being incorrectly capitalised.	A review will be undertaken to review cost allocations prior to the 2024/25 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process.	The Engineering Team work closely with Finance Team and capitalise completed projects on monthly. Plant op costs and public works overheads are being

		reviewed prior to adoption of the new budget.
Review of activity based costings to support calculation of rates being applied. Procedures to be developed to ensure regular review and monitoring of these costs.	A review of activity based costing will be undertaken prior to the 2024/25 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process. These costs will also be monitored and added to the End of Month Checklist.	
The Annual Report requires a statement relating to the process of applying for information under the Freedom of Information Act.	This information has been included in the 2022/23 Shire of Merredin Annual Report.	Completed 11.12.2023
The link to the payment listing attachment from the January 2023 Ordinary Council Meeting is not working on the Shire's website. The payment listing is required by legislation to be published with the meeting minutes.	The Governance Team will investigate the possible options for dealing with minute attachments in future to ensure they are all available on the website as required.	All attachments are now included within the minutes PDF, rather than via links which have the potential to fail.
Written procedures are required for the reconciliation of borrowings.	A work instruction will be developed and this will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	
Timely reconciliation of stock (including fuel) is required and controls need to be established.	This issue has already been identified through the risk register and processes are beginning to be developed.	Fuel dips have been completed for December - May, however the reconciliation process and work instruction are to be developed.
Documentation of controls relating to general journal procedures are required. This should include regular audit trails being completed to ensure now unauthorised journals have been completed.	The printing and review of audit trails will be added to the end of month checklist moving forward to ensure completion and sign off occurs each month. A written procedure will also be drafted to outline the processes required.	
The investment register is not routinely reviewed by a more senior officer.	Currently the Shire do not have any active investments, with all funds being in the form of cash and held with our Bank. Moving forward the "cash" register which is completed will be added to the End of Month Checklist to ensure sign off occurs each month.	Investment Register has been added to the End of Month Checklist to be authorised each month by a more senior officer.
An ICT Strategic Plan is required to be developed.	This has been identified as part of the 2022/23 Annual Financial Audit and will be developed in the coming 12 months.	
The Business Continuity Plan requires routine testing to ensure validity.	Desktop testing of the Business Continuity Plan will be scheduled prior to the end of the financial year.	
Update procedures to ensure the tender register includes all necessary information.	An update of procedures will be undertaken to ensure the tender register includes all necessary information.	

The tender register on the Shire's website was not updated (2023/24 was not uploaded). This has been rectified.	The website has been updated to include the 2023/24 tender register, as per requirements.	Completed December 2023
One primary return was not completed within the legislated timeframe. This was reported in the Shire's 2022 Compliance Audit Return at the March 2023 Audit Committee meeting.	Ensure all 2022/23 Primary and Annual Returns are completed by the due date.	Completed 31 August 2023. All 2022/23 Primary and Annual Returns were completed by the due date.
Policy 3.5 - Investment Policy requires review and updating. It is suggested that the review timeframe could be amended to align with organisational requirements.	This Policy, along with a number of others, will be reviewed in the coming months.	

Risk Dashboard Review

Asset Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
In house QGIS training for Exec and AMO	N	Dec-24	
Maintain roads data in QGIS	N	ongoing	Verification of Roads Data was completed and presented to Council in March 2024
Continue quarterly stocktakes at works depot, review oncosts	N	ongoing	
Review and update Asset Management Policy	N	Jun-25	
Create Asset Management Strategy	N	Dec-25	
Business and Community Disruption			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Implement internal emergency management arrangements across Shire	Y	ongoing	
Review LEMA annually	N	ongoing	Adopted at LEMC Meeting 26 October 2023
Hold at least one evacuation practice in each Shire facility each year	N	ongoing	
Desktop testing of IT Disaster Recovery Plan/ Business Continuity Plan	N	Sep-24	
Failure to Fulfil Compliance Requirements (statutory, regulatory)			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Compliance Calendar within Attain	ongoing	ongoing	Weekly due items report sent to Exec

Review process for CAR completion	Y	ongoing	2023 CAR presented to Audit and Council in February 2024
Policy and Plan Spreadsheets	Y	ongoing	Spreadsheets developed Q3 2023 and sent to Exec
Document Management Process			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Add policy review to SMG	N	Jun-24	
Digitise vital records	Partial	Dec-24	Some old records digitised, most new digitised as created
Review policies by due dates	N	ongoing	Policy Index developed
Review procedures and create Procedure Index with 'last reviewed date' component	Partial	Sep-24	Commenced October 2023
Creation of key secure documents that are unable to be edited (H Drive – templates, procedures etc)	Partial	Sep-24	Most folders / documents secured
Continue to review archives of the Shire	Partial	Ongoing	Records officer has commenced review
Employment Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Ensure Recruitment Process are implemented consistently	Partial	ongoing	Mostly completed – PDs and Classifications reviewed and updated
Updating HR Synergy module	Partial	Dec-24	Commenced - majority of staff information in now being stored in Definitiv.
Review of qualification, licenses and tickets for required staff	Partial	ongoing	In progress. Training register updated and reviewed regularly.
Engagement Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Engagement & Consultation Framework	N	Dec-25	
Complete Community Scorecard Survey	N	Dec-25	Will require funds in 2025/26 budget
Environment Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Maintenance and monitoring of waste water re-use scheme	Y	ongoing	
Training to be completed for the waste water management program	As required	ongoing	Ongoing training consistently provided to new employees. Current employees working with

			waste water have up to date training.
Develop Landfill Operational Management and Landfill Closure Plans	Partial	Jun-24	Consultant engaged, currently developing plans.
Errors, Omissions and Delays			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Identify key procedures for ALL areas, to be documented	N	Jun-25	A number of Corporate procedures identified via FMR and Audit
Create Procedural/Internal Management procedures and policies	Partial	Dec-24	Some initial procedures created.
Regularly review key information on website for accuracy	Partial	ongoing	Commenced – Exec to review own information.
Review process to track complaints/ work requests	Partial	Dec-24	A spreadsheet is in place currently to log requests / Snap Send Solves.
External Theft, Fraud or Damage			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Admin Security Procedure to include individual 4 digit access system for relevant staff. Removal of access when staff leave.	Y	ongoing	Alarm and swipe card system in use, all staff have individual pins.
CCTV review	N	Sep-24	
Review of contractor access and induction processes, including assessment of effectiveness and consistency.	N	ongoing	
Management of Facilities/ Venues/ Events			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review internal procedures for events and bookings - communication focus	N	ongoing	
Review facility/ venue hire forms created for Cummins Theatre & other external facilities	N	ongoing	
IT or Communications Systems and Infrastructure			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review IT equipment register and replacement plan	Partial	Dec-24	
Develop and implement Corporate IT Strategy	N	Dec-24	
Implement staff and councillor training for enhanced IT security	N	Dec-24	
Review staff IT access profiles on shared drive and in SynergySoft	N	ongoing	

Misconduct			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of Induction Procedure	Partial	ongoing	Commenced, but still being refined. Most documents now updated to new templates etc
Review Fraud & Corruption Control Plan	Partial	Jun-24	Commenced
Authorised officers' letters of appointment	Y	ongoing	All current staff have letters. New staff will receive on commencement.
Ethical and Accountable Decision-Making training	Yes	ongoing	Will be completed as required moving forward.
Projects/ Change Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop project management plans for the management of major projects (i.e. CBD)	As required	As required	Kept as live documents, updated as required.
Project plans for events in place	As required	ongoing	Processes currently in place are working well. Ensure hand over processes documented.
Safety and Security Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Determine contractor/ site inspection procedural approach	Partial	May-24	Working with Regional Risk Coordinator (LGIS) to utilise DAMSTRA contractor induction system. Procedure to be developed.
Review WHS and new guidelines as identified	Partial	ongoing	A number of processes in place.
Conduct Annual building inspection for BFB and SES	Y	ongoing	Completed by ESO and RRC January 2024.
Supplier/ Contract Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Regular review of Tenders, Contracts, Agreements and Grants SynergySoft module	Y	ongoing	Contract and Grant milestones emailed weekly
Development of TCAG procedure	N	Dec-24	
Use of standard templates for contracts and tenders	Partial	ongoing	
Procurement and Disposal			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review local panel of suppliers	Partial	July 24	Two tenders will be issued June 2024:

			- Suppliers & Trades - Plant Hire – Contractors
Development of Asset Disposal procedures	No	Dec-24	
Training for requisitions and purchase orders	Partial	ongoing	Purchasing procedure developed with supporting work instruction. Mandatory procurement training for all staff (inc. new staff as part of induction)