

No	The Risk:	Risk Owner	Inherent Risk Rating	Residual Risk Rating	Treatment Option(s) Responsibility & Timeframe
1	Systems and processes are not in place to manage contractors	CEO	Ex	Hi	TBA – Procurement Project Team
2	Lack of funding or change in grants from external sources significantly reduces income (external funding only).	CEO	Ex	Hi	TBA
3	Council does not comply with Records Management legislation	DCCS	Ex	Hi	TBA
4	Inability to maintain an effective and compliant WHS management system that meets organisational requirements on an ongoing basis. (failure to comply with WHS Act & PSSSI).	CEO	Ex	Hi	TBA
5	Inability to maintain an effective and complaint risk management system that meets organisational requirements on an ongoing basis.	CEO	Ex	Hi	TBA
6	Lack of integration between financial and operational assets registers.	CEO	Ex	Hi	TBA
7	Failure to deliver, maintain and monitor infrastructure and a road network that is safe, appropriate and fit for purpose.	DAIS	Ex	Hi	TBA
8	Corporate Management Team is not aligned with the strategic vision or direction of Council. Office of the CEO advice or direction is not sought, accepted or followed.	CEO	Ex	Hi	TBA
9	Procurement is not adequately managed.	CEO	Ex	Hi	TBA
10	Elected Members are not aware of their responsibilities or do not fulfil those responsibilities when acting in Office	CEO	Ex	Mo	TBA
11	Inability to sustain long term financial performance and unable to meet forecast budgets.	DCCS	Ex	Mo	TBA
12	Breach of legislation, failure to comply with key regulations (ICAC, Development Act, LG Act).	CEO	Ex	Mo	TBA
13	Inability to attract and retain appropriate and talented staff to Council.	CEO	Ex	Mo	TBA
14	Significant business interruption to core operations	DCCS	Ex	Mo	TBA
15	Failure to engage in meaningful two-way consultation with the Community	CEO	Hi	Hi	TBA
16	Lack of awareness and inability to adapt to changing climate conditions	DDS	Hi	Hi	TBA
17	Inadequate management of volunteer workforce	CEO	Hi	Mo	TBA

Appendix A – Council Risk Management Matrix

Consequence Rating							
Description	Safety	Reputation	Legal & Regulatory	Environmental	Financial	IT / Records	Service Delivery
Severe	Fatality. Severe injury or illness giving rise to a disability or impairment. Litigation.	State negative media coverage. Irreparable damage to reputation. Public outcry.	Significant prosecution for organisation and individuals. Fines. Very serious litigation.	Extensive, very serious and long-term impairment of the environment. EPA involvement or investigation.	> \$1 mil	Extensive loss / damage to IT and communications assets and infrastructure. Permanent loss of data. Widespread disruption to the business.	Extreme loss of service quality.
Major	No fatality. Serious (but non-life threatening) injury or illness. Critical failure of internal controls.	Extensive local negative media coverage. Loss of reputation that will require external resources. Public concern.	Major breach of legislation or regulation. Prosecution. Fines. Litigation.	Serious (>6months) impairment of the environment.	> \$250k to < \$1 mil	High risk of loss, data corrupt. Significant catch up required. Business Continuity Plan implemented.	Major decline in the quality and value of service delivery. Probable decrease in the community's confidence in the Council.
Moderate	No fatality. Non-life threatening injury/illness. Medical treatment and/or hospitalisation required. Serious breach involving statutory authority investigation. Significant failure of internal controls.	Significant local media attention. Significant number of complaints.	Serious breach of legislation or regulation with investigation and/or report to relevant authority. Limited fine or other penalty possible.	Moderate damage or impairment of the environment. Repairable in 1 to 6 months.	> \$50k to < \$250k	Moderate to high loss / damage to IT and communications. Data lost.	Moderate decline in the quality and value of service delivery. Possible decrease in the community's confidence in the Council.
Minor	Minor reversible injury requiring medical treatment by doctor. No hospitalisation. Contained non-compliance with short term significance.	Heightened negative local media attention. Low number of complaints.	Breach of legislation or regulation with noted compliance failure. Requirement for report to regulator or authority.	Limited damage or impairment of the environment. Repairable within 1 month.	< \$50k	Minor loss / damage to IT and communications. Some catch up required.	Untimely service delivery to our community. Should not decrease the community's confidence in the Council.
Insignificant	A minor injury that is treated on site. Near miss or incident that does not give rise to any injury.	A number of complaints.	Minor non-compliance. Minimal failure of internal controls.	Minor containable incident with no measurable impairment or impact of the environment.	< \$20k	Negligible loss of or damage to IT and communications. No loss of data.	Minimal decline in the quality and value of service delivery.

Likelihood Rating		
Almost Certain	Is expected to occur in most circumstances	Not applicable Work Health & Safety (WHS)
		At least once in 1 year or has occurred in the past year
Likely	Will probably occur in most circumstances	At least once in 2 years or has occurred in the past 2 years
Possible	Might occur at some time	At least once in 5 years or has occurred in the past 5 years
Unlikely	Could occur at some time	At least once in 10 years or has occurred in the past 10 years
Rare	May only occur in exceptional circumstances	Less than once in 10 years and has not occurred in the past 10 years

Risk Matrix						
Consequence and Reporting Action						
Likelihood		Insignificant	Minor	Moderate	Major	Severe
	Almost Certain	High	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	Extreme	Extreme
	Unlikely	Low	Low	Moderate	High	Extreme
	Rare	Low	Low	Moderate	High	High

Risk Level	Residual Risk Appetite (treatment, plan, activity)	WHS Specific Residual Risk Appetite
Extreme (E)	To be avoided , further treatment plan required as a matter of urgency. Expected treatment plans to be identified.	Operation of plant/ activity should not be allowed to continue until the risk level has been reduced with appropriate controls and treatment.
High (H)	May be acceptable provided appropriate controls and treatment strategies are in place.	Operation of plant/ activity should not be allowed to continue until the risk level has been reduced with appropriate controls and treatment
Moderate (M)	Acceptable with review	Acceptable provided appropriate controls and treatment strategies are in place.
Low (M)	Acceptable with review	Acceptable provided appropriate controls and treatment strategies are in place.

Appendix B – Reporting responsibilities based on residual risk appetite.

Risk Level	Reporting and Action	WHS Specific
Extreme (E)	Report: Line management, CEO, Risk Administrator, Audit Committee and Council immediately. Action: Continued exposure to the risk must be approved by CEO and reported to Council. Exposure to the risk should be discontinued where possible.	Report: Line management, CEO, Risk Administrator, immediately, WHS Committee and Council (as required), as soon as reasonably practical. Action: Continued exposure to the risk must be approved by the WHS Committee and CEO. Exposure to the risk should be discontinued. Recorded into hazard register.
High (H)	Report: Director, CEO (or appointed person), and Risk Administrator immediately. Action: Exposure to the risk should be discontinued as soon as possible.	Report: Line management, CEO, Risk Administrator, immediately and WHS Committee as soon as reasonably practical. Action: Continued exposure to the risk must be approved by the WHS Committee and CEO. Exposure to the risk should be discontinued. Recorded into hazard register.
Moderate (M)	Report: Director immediately Action: Annual review of the risk by Management	Report: Line management, Director and Risk Administrator, immediately. Recorded into hazard register.
Low (M)	Report: Manager Action: Periodic review of the risk by Management	Report: Line management immediately and Risk Administrator as soon as reasonably practicable. Recorded into hazard register.

BUSINESS IMPROVEMENT OFFICER

10. INTERNAL AUDIT ACTIVITY REPORT

(File Ref: 9.14.1.6)

INTRODUCTION

The Business Improvement Officer presents an update on recent Internal Audit Activity.

RECOMMENDATION

That the report be received.

COMMENT

The objective of the Yorke Peninsula Council's ("Council") internal audit function is to enhance business performance by recommending improvements in process effectiveness, efficiency and economy.

This report provides an update on the implementation of proposed actions resulting from:

- Internal audit activities;
- Internal controls project; and
- External audit activities.

The latest status information has been provided by the officers responsible for the implementation.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 – Section 125 – Internal Control Policies
Council's Internal Audit Activity – Framework

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Internal audits will assist in the management of Council's financial and operational risks.



Internal Audit Activity Report (Oct 14 – Nov 14)

1. INTERNAL AUDIT PLAN

The following table highlights the status of audit projects:

No.	Project	Scope Overview	Project Status
1	Attractive Asset Review	Attractive assets to the Council include items such as mobile phones, laptops and artwork. This audit will focus on the processes to manage and secure attractive assets (particularly artworks) acquired by the Council.	Project Completed
2	Financial Management – Account Receivable	A review of key accounts receivable controls including receipting, banking, debtor follow up processes and general ledger reconciliations.	Scope Document Completed. Audit will commence in Dec 2014.
3	Post Implementation Review - Asset System	A new asset management system is budgeted for the 2014 financial year; this review will be an assessment of the effectiveness of the implementation of the new system against the outlined objectives of the project.	Not started. Scheduled to commence in Dec 2014, however will be delayed until July 2015 once a few asset categories have been fully loaded and staff are actively using the system.
4	CSR Operational Review	A review to assess the processes relating to the customer service request (“CSR”) system, including allocation of jobs, follow up, completion / service levels and reporting to Council.	Not started. On track to in commence Mar 2015.
5	WHS Legislation	To meet requirements of the Work, Health and Safety (WHS) Act 2012, a WHS project will be undertaken each year.	Scope Document & Test Plan Completed. Audit due to commence Nov 2014.
6	Petty Cash and Till Floats	Regular spot check of petty cash and till floats. The objective is to ensure that staff with custodian of till floats and petty cash floats are aware of their responsibilities and are discharging those responsibilities efficiently and effectively.	Project Completed
7	Council Direct Managed Caravan Park Spot Audits	Unannounced visit to Caravan Parks to confirm that utilised sites were correctly recorded in the online Reservation Management System (“RMS”), general maintenance and cleanliness of the parks and all WHS matters were addressed.	Project Completed

No.	Project	Scope Overview	Project Status
8	Independent verification of control self-assessment	Undertake annual random verification of staff's self-assessment ratings against the identified controls. (Controltrack)	Not started. On track to in commence Jan 2015.

2. MANAGEMENT REQUESTS

Internal Audit function has attended to the following Management requests:

Request	Requestor	Audit Scope / Objective	Project Status
Bush Camping Review	Director Development Services	Audit of the key bush camping permit controls to determine areas for improvement. The review was limited to reviewing the current processes for Council staff and the local businesses that issue permits and collect fees on behalf of Council.	Project Completed
Financial Management – Payroll (carry forward from 13/14)		Audit of the procedures and internal controls relating to the fortnightly processing of the payroll. Processes include new payroll additions, terminations, pay rate changes, payroll changes and deductions.	Project Completed
Minlaton Caravan Park	Director Corporate and Community Services	Review key financial statements to confirm historical accuracy of base rent paid and identify tighter controls for next lease negotiation.	Scheduled for Feb 2015.

3. IMPLEMENTATION OF AGREED ACTIONS (INTERNAL CONTROLS PROJECT, INTERNAL AUDIT AND EXTERNAL AUDIT)

An update on the implementation of proposed actions resulting from the following activities is provided in **Attachment A**:

- Internal controls project;
- Internal audits; and
- External audit.

The latest status information has been provided by the officers responsible for the implementation.



Implementation of Agreed Actions

This report provides an update on the implementation of proposed actions resulting from:

1. Internal audit activities;
2. Internal controls project; and
3. External audit activities.

The latest status and comment information has been provided by the officers responsible for the implementation.

1. Internal Audit Activities

Water Recovery Charges Review – June 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Usage Invoicing Spreadsheet	An independent review of the Water Supply Invoicing spreadsheets will be performed by Internal Audit after each roll over to ensure completeness and accuracy of the process.	Business Improvement Officer and DCCS	1/03/14	N/A	In Progress	The Finance section have developed and implemented new processes. Final invoices entered into new spreadsheets in Nov 2014. Internal Audit will now conduct the independent review.

IT User Access Review – July 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. IT Security Policy and Procedure & User Guidelines	Agreed with recommendation: <ul style="list-style-type: none"> ▪ Develop a set of basic internal IT procedures ▪ Review and update the Internet and Email Policy and Guidelines for Computer Network Use to ensure they reflect current practices and the new procedures to be developed. 	Manager Information Services	30/08/13	31/12/14	In Progress	These requirements are part of the set of current projects to review and overhaul the IT policies and procedures. Draft IT policy has been reviewed by the Governance Officer and is on track to be implemented by end Dec 2014. Also currently exploring options for a more rigorous, long term approach for policy, procedure and guideline development.
4. Network Administrator Access	<ol style="list-style-type: none"> 1. Administrator users (including contractors) are provided with an individual administrator account. 2. As part of the upgrade to Active Directory in late 2013, IT will consider changing generic Administrator password, after attempting to identify services that are running using this account. 	Manager Information Services	30/08/13	30/06/15	1.Completed 2.In Progress	Administrator password change will be included as part of the active directory upgrade. A contractor has now been engaged and the change will be implemented over this Christmas break to lessen any potential disruption to service delivery.

Accountability and Disclosure Audit – October 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Council reviews its Purchase of Goods and Services Policy	<p>As highlighted as part of the Internal Controls Program, a project team will be initiated to address issues relating to procurement and contract management including reviewing and drafting policy, procedures and work flow diagrams.</p> <p>All procurement processes need to be addressed by the project team including:</p> <ul style="list-style-type: none"> ▪ general purchasing ▪ tendering and suppliers ▪ contract management. 	Governance Officer	30/06/15		In Progress	<p>Refer to comments under the Purchasing Review performed in February 2014 below.</p> <p>This action will be merged and reported with Finding 1 - Procurement Review in the next Implementation of Agreed Actions report.</p>
2. Give consideration of a central records management system that will also capture emails to and from Elected Members	<p>A centralised electronic records management system will be considered as part of the FY15 budget.</p>	CEO	30/06/15	31/12/15	In Progress	<p>The IT Manager has commenced investigations of potential records management systems and a preferred option has been selected.</p> <p>Expenditure for the project was requested in the FY15 budget, however due to competing priorities the Elected Body have decided to delay this project until the FY16 budget</p> <p>This is a large IT project and requires a significant expense.</p>

Procurement, Part 1 Purchasing – February 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
<p>1. Purchase of Goods and Services Policy</p> <p>Risk Level High</p>	<p>A Project Team to address procurement issues has been established and the project will commence in March 2014.</p> <p>Draft procurement policies have been sought from the LGA and will be implemented as necessary.</p>	Governance Officer	30/06/15	30/09/14	In Progress	<p>A Project Team was assembled to review procurement processes across Council. The project team has developed flowcharts, templates and checklists to ensure that procurement and tendering processes are managed consistently across Council.</p> <p>The Audit Committee considered the new draft Procurement Policy at the September 2014 meeting. All staff have been consulted on the draft policy. Consultation period has now closed and all feedback received is now being assessed and incorporated where appropriate. The policy will be presented to Council for endorsement in the new year. The Audit Committee also approved participation in the Regional Procurement Roadmap Program at this meeting.</p>
<p>2. Outstanding Purchase Orders</p> <p>Risk Level Low</p>	<p>A review process will be initiated at least twice a year and those orders no longer required are followed up and cancelled.</p>	Manager Financial Services	30/06/14		Completed	<p>The Accounts Payable Officer has added the twice yearly review process to the internal schedule of activities.</p> <p>First review was completed in Aug/Sept 2014. No major issues identified. Next review will occur early 2015.</p>

Leased Caravan Parks Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Minlaton Caravan Park Lease Agreement Risk Level Moderate	Management will review and renegotiate the Minlaton Caravan Park lease agreement in June 2015. Current known issues will be considered and addressed at that time.	DC&CS	30/06/15		Future Dated	N/A
2. Lack of consistency across Caravan Park lease agreements Risk Level Low	The current lease spreadsheet will be incorporated into the SharePoint application to ensure automation of key dates etc.	Property Tenure Officer	30/09/14		In Progress	SharePoint has been tested and is expected to be implemented with staff trained by February 2015.

Fuel Management Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Fuel Sheets Risk Level High	<ol style="list-style-type: none"> Agreed, a standard fuel sheet template will be developed (if it is considered that the current system will not be overhauled with an automated system). Agreed the Director Corporate & Community Services will source system information and costs to be considered by CMT 	<ol style="list-style-type: none"> Financial Accountant DC&CS 	<ol style="list-style-type: none"> 31/12/14 30/09/14 		<ol style="list-style-type: none"> In Progress In Progress 	<ol style="list-style-type: none"> IT has commenced drafting a standard fuel sheet if an automated system is not considered an option. This is not in use yet, as there are a number of factors that need to be addressed (i.e. that there are obviously differing vehicles and machinery at each depot). A quote has been sourced and reviewed. Alternate options seeking a partial (more cost effective) solution are being considered. A report to CMT is being drafted.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
3. Fuel reconciliation spreadsheet Risk Level Moderate	1. The fuel reconciliation spreadsheet will be saved in a secure location on the network with limited access. Where possible formulas and linkages will be locked with a password. 2. The Manager Financial Services to formally review the fuel reconciliation spreadsheet each month and results, major discrepancies, be reported to the CMT	1. Financial Accountant 2. DC&CS	31/12/14 30/06/14		1. Completed 2. In Progress	1. The formulas (where appropriate) in the fuel reconciliation spreadsheet have been locked down to secure access to the Financial Accountant only. 2. Major discrepancies reported, completion is dependent upon above actions.
3. Fuel dip reading Risk Level Moderate	An independent fuel dip reading is performed on a six monthly basis by the Financial Accountant to verify the inventory.	Financial Accountant	30/09/14		In Progress	First independent reading has been completed. Data is currently being analysed.

Bush Camping Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Timing of obtaining permits Risk Level High	1. Agreed, a policy that incorporates key points from the audit findings will be developed, including a communication plan to inform staff and the community. 2. Signage to be reviewed, costs identified and a budget submission is prepared for 2015/16 Annual Business Plan and budget. 3. Agreed, Council to contact local businesses in the known 'gap areas' (e.g. Pt Wakefield, Ardrossan, Stansbury, Pt Vincent, Pt Victoria etc.). 4. Further investigation to be undertaken to identify the costs, risks and benefits of alternate methods and a report prepared for Council's consideration. 5. Once new processes are implemented ensure that the Ranger educates and makes the bush camping public aware of new processes and change to culture.	1. Manager Developmt Services 2. Operations Manager 3. Manager Developmt Services 4. Manager Developmt Services 5. Manager Developmt Services	31/03/15 28/02/15 30/09/14 31/12/14 31/03/15		1. Future Dated 2. Future dated 3. On hold 4. Future dated 5. Future dated	All bush camping recommendations are subject to Council endorsement. A Council briefing will be scheduled in the New Year.
2. Charging, receipt, banking and reconciliation of permit fees Risk Level High	1. Bush Camping Permit procedure to be developed to reflect current expectations and communicated to staff, Rangers, and local business who are issuing permits on behalf of Council. At a minimum the document should outline the: <ul style="list-style-type: none"> ▪ Timeliness of collection and banking processes ▪ Standard receipting procedures, including reconciliation ▪ Security considerations when collecting and counting money ▪ Supporting documentation requirements ▪ Process for notifying Council when the identified businesses change ownership. 	Manager Development Services	31/12/14 31/12/14 31/03/15		Future Dated	N/A

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	<p>2. If it is considered too onerous for businesses to deposit fees in a timely manner, it should be added to the Ranger's responsibilities to collect shop permit fees, including reconciliation and issuing receipts at the premises.</p> <p>3. Bush camping fees are considered as part of the 2015 annual review of fees and charges.</p>					
<p>3. Signage (relating to camping locations, permit requirements & site spaces)</p> <p>Risk Level Moderate</p>	Consider reviewing the camp site space allocations, with the aim to clearly delineate all camp sites with permanent markings.	Operations Manager	28/02/15		Future Dated	N/A
<p>4. Information collected on permits</p> <p>Risk Level Moderate</p>	Consider suitable technology (e.g. hand held palm pilot, tablets) for the Rangers to document and issue bush camping permits. Investigate to identify the costs, risks and benefits and prepare a report for Council's consideration.	Manager Development Services	31/12/14		Future Dated	N/A
<p>5. Obtaining permits – inconsistent information</p> <p>Risk Level Low</p>	Review information on the Council and Visitor Information Websites and update appropriately to reflect the correct locations where permits can be obtained.	Corporate Services Officer	30/09/14		In Progress	Visitor Information Centre review and update their website on a regular basis. Work still to be completed on Council's website.
<p>6. Review of Ranger responsibilities</p> <p>Risk Level Low</p>	Review the role of the Rangers so that standardised duties are undertaken and work is allocated by geographic area. Also consider resource requirements of Rangers, particularly for weekend and peak times	Manager Development Services	31/03/15		Future Dated	N/A

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
7. Further opportunities for improvement Risk Level Low	<p>1. Review the requirement of nominating a specific site and consider changing to a permit being applicable for any of the bush camping sites.</p> <p>2. Review the rationale of non-fee and fee payable sites and if appropriate, set fees for all fifteen sites as part of the annual review of fees and charges.</p>	<p>1. Manager Developmt Services</p> <p>2. Corporate Services Officer</p>	<p>28/02/15</p> <p>31/03/15</p>		Future Dated	N/A

Payroll Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Leave Balances and Bona Fide Reports Risk Level High	Managers receive a quarterly employee bona fide report that identifies all employees being cost to their department's budget and leave balances.	Manager Org Development	30/09/14		Completed	New reports have been developed. Bona fide reports will be provided to CMT on a regular basis. Managers can also access staff leave balances anytime via Authority.
1. Separation Processes Risk Level Moderate	HR develops and implements the Employee Exit Checklist and processes.	Manager Org Development	30/09/14		Completed	Checklist and processes have now been implemented.
2. Payroll Procedures Risk Level Low	Payroll procedures reviewed and updated to reflect current practices.	Payroll Officer	30/06/15		Future Dated	N/A

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
3. Electronic Timesheets and Leave Requests Risk Level Low	Consideration or research into the Authority capabilities to automate / streamline the timesheet and leave request process.	Manager Org Development	30/06/15		Future Dated	N/A

Asset Management Maturity Audit – March 2014

Undertaken by Jeff Rodda & Associates (External Consulting Firm)

Please note: All road infrastructure will be addressed first. The aim is to complete all actions for the road in infrastructure category by 30 June 2015. Actions will then be removed from this list. Internal Audit will complete a follow up review of Asset Management in FY17 to ensure all asset categories have been completed in accordance with the agreed actions.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Strategic Longer Term Planning Risk Level Low	Ensure future plans indicate likely service level and risk trends resulting from adopted LTFP	DC&CS	30/09/15		Future Dated	Currently completed as best as possible, however with limited data. New AM system and the data available will improve LTFP.
	Consider including in the next update of the Strategic Plan commentary on the future outlook for infrastructure including any challenges/risks & ensure that Strategic Plan performance measures are aligned with the AMP service levels utilising state of the assets reporting.	Governance Officer	31/12/15		Future Dated	Strategic Plan will be updated after the Council elections and will consider wording in relation to the Asset Management.
2. Annual Budget Risk Level Low	Include commentary in the budget to provide a statement of whether the budget will achieve the Strategic Plan objectives and sustain current service levels	DC&CS	TBA			
	Develop ongoing councillor and community engagement strategy on affordable service levels based on current LTFP	DA&I	TBA			

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	Ensure that the depreciation projections in the LTFP are related to forecast movements in the asset base. To do this a reconciliation of the movements in Property, Plant and Equipment values is needed within the forecast	DC&CS	TBA			
3. Annual Report Risk Level Low	Include "state of the assets" reporting in annual report (& AMPs) to show service level trends e.g. % or assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.	Business Improvement Officer	30/11/15		Future Dated	This will be included in the Annual Report for the FY15 financial period, once the Asset Management System (AMS) has been in production for a full year.
4. AM Policy Risk Level High	<p>Implement an Asset Management Policy. When policy has been developed, ensure it is communicated to all key stakeholders including a briefing to Council regarding their roles and responsibilities. The policy should include (but not limited to) the following:</p> <ul style="list-style-type: none"> - Document methodology for determining asset lives, useful lives, conditions and financial reporting in an asset accounting policy as per Australian Infrastructure Management Guidelines - Develop business processes and documentation to ensure audit trail for financial transactions, asset register updates and annual reporting. This should be done as part of the CRV and new Asset Management System implementation process - Document an Asset Management Improvement Program. Annually review asset management maturity & conduct annual review of policy implementation by the Asset Management Team and Audit Committee - Training requirements for staff - Responsibilities for staff (i.e. Finance and Asset Management staff) - Reporting mechanisms and timeframes - Linkages to risk 	Asset Manager	30/06/15		Future Dated	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	- Continuous improvement					
5. AM Strategy Risk Level Extreme	Implement an Asset Management Strategy (using templates provided). Strategy must identify 'critical' assets and includes risk management strategies for these assets. Strategy should also include specific actions to improve asset management capabilities, projected resource requirements & timeframes.	Asset Manager	30/06/15		Future Dated	
6. AM Plans Risk Level High	Update the Asset Management Plans (Optimal Scenario) and what will be done with available funding (Balanced Scenario) & complete risk management plans for the Balanced Scenario.	Asset Manager	30/06/15		Future Dated	AM Plans will be automated as part of the AMS implementation
	Complete service levels for AMPs using state of the assets reporting (condition / function / capacity) as per example provided by the consultants & ensure that service level targets for the next 10 years for each AMP are achievable and it is clear what Council can and cannot do within the budget constraints of the LTFP.	Asset Manager	30/06/15		In Progress	AM Plans will be automated as part of the AMS implementation. The data collection and analysis process has commenced with road categories.
7. Governance and Management Risk Level High	Identify if the Asset Management Team will continue, if so adopt charter for the Asset Management Team. The focus of the group should be on the implementation of Asset Management Improvement Program and to report risk and service level trends	Asset Manager	31/12/14		Future Dated	Asset Manager to discuss the proposition (benefits and relevance) of continuing with the Asset Management Team with CMT. This is expected to be assessed in the New Year.
	Ensure whole of life costing is used for all capital upgrade/expansion projects with a feedback loop into the LTFP.	Asset Manager	30/06/15		Future Dated	
8. Levels of Service Risk Level High	Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels. Aim is to ensure the community service levels and targets in AMPs align with the SP and annual reporting	Asset Manager	30/06/15		Future Dated	
9. Data and Systems	Provide a data improvement program as part of the asset management improvement program	Asset Manager	30/06/15		In Progress	Aligned to the implementation of the Conquest system. Road

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Risk Level High	<p>based on benefit/cost/risk. This should be done in conjunction with the development of the Asset Accounting Policy and Implementation of both the Authority CRV module and new Asset Management System. This process should determine the level of data required to meet both financial and asset management requirements</p>					category completed
	<p>Ensure that the current register is kept up to date and asset condition is monitored & annually updated with 'useful lives' and reported as part of the annual review of the works program. Includes annual update of unit rates (replacement and renewal cost rates) based on the completed works program</p>	Asset Manager	30/06/15		In Progress	Aligned to the implementation of the Conquest system. Road category completed

Attractive Assets Review – August 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Acquisition and disposal processes of attractive assets Risk Level High	A standard process for the acquisition and disposal of assets is developed and deployed internally with training for staff	Manager Financial Services	30/06/15		Future Dated	
	As a checking mechanism, the Accounts Payable Officer to check whether newly acquired assets have been captured within the correct registers at the time of paying the invoice	Manager Financial Services	30/06/15		Future Dated	
2. Recording of attractive assets Risk Level Moderate	Incorporate all registers into a centrally managed register with plans to move this into the new Asset Management Software (Conquest) in the future. Focus on just those asset classes that are not already (or soon to be) loaded into Conquest.	Manager Financial Services	30/06/15		Future Dated	
	All assets meeting the threshold requirements are also immediately transferred into the Attractive Asset register, thereby bringing this register up to date	Manager Financial Services	30/06/15		Future Dated	
	All artworks are immediately recorded into the F&F asset register and also transferred into the Attractive Asset Register if they meet the threshold requirements.	Manager Financial Services	31/12/14		In Progress	All artworks have been captured in a separate document, in the process of being transferred to the Asset Register.
	Regular stocktakes of all categories of assets are planned and undertaken at least once every two years (some such as plant and machinery should be completed annually)	Manager Financial Services	31/12/15		Future Dated	
	Standard forms to assist the stocktakes are developed	Manager Financial Services	30/09/15		Future Dated	
3. Asset Management and Accounting Policy Risk Level Moderate	Council's current Asset Management and Accounting Policy is reviewed and updated taking into account the findings of this review	Manager Financial Services	30/06/15		Future Dated	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments		
4. Methodologies for tagging and monitoring the location of attractive assets	It is recommended that Council consider some marking or stamp to identify Council artworks	Executive Assistant Director Corporate & Community Services	30/06/15					
<table border="1"> <tr> <td data-bbox="208 427 392 459">Risk Level</td> </tr> <tr> <td data-bbox="208 459 392 496">Moderate</td> </tr> </table>	Risk Level	Moderate	Council investigates purchasing equipment required to 'tag' assets (e.g. bar code creation and readers) and if deemed appropriate, plan for resources to undertake tagging of all assets throughout Council.	IT Manager	31/12/15			
Risk Level								
Moderate								

2. Internal Controls Project (Various Workshop Dates Held in Early 2014)

Risk Ref	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2.1.8	Investigate other resources in regards to existence of accounting policies, including other Councils and external audit.	Financial Accountant	31/08/13	31/03/15	In Progress	<p>The revised date for this action has been extended until March 2015, this to allow time for the Finance department to collate all procedures into one document (or folder) to create a whole of Accounting and Finance Manual (rather than just individually).</p> <p>Work has commenced on this manual for majority of finance processes have been completed, however the Accounts Receivable and Payroll areas still need significant work and then a final way to present and manual needs to be decided upon.</p> <p>The Financial Accountant will be responsible for:</p> <ul style="list-style-type: none"> - Reviewing other Councils using the Authority application and their accounting and finance procedures - Collating the manual

3. External Audit Activities

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Finding Name	External Audit Finding	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Asset Management Plans	Council's Transport Asset Management Plan will be updated to reflect the results of the condition inspection and revaluation of assets. Once the Asset Management Plan has been updated, recommend Council updates the Long Term Financial Plan (LTFP) with updated capital works and depreciation forecasts.	Manager Assets	31/12/13	30/06/14	In progress	Please refer to Asset Management Maturity Audit actions listed above.
Asset Service Standards	Council should undertake a review and documentation of required service standards so that the Administration can plan for future capital works programs in the LTFP and annual budgets.	Manager Assets	30/06/14	30/06/14	In progress	Please refer to Asset Management Maturity Audit actions listed above.

- To further support the Internal Controls Project, a Business Rules document was developed and endorsed by the Audit Committee in September 2014.

The first full round of assessments and reviews is currently underway. All 209 controls have been assessed by staff and reviews are due to be completed by 10 December 2014.

The results of this first full review will be presented to the next scheduled Audit Committee (tentatively scheduled for February 2015).

Following review and analysis of these results, Internal Audit will commence a series of random audits to independently verify staff's self-assessments.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 - Sections 125, 126, 129 & 130

Local Government (Accountability Framework) Amendment Act 2009 –Schedule 1 cl. 2.

Local Government (Financial Management) Regulations 2011 r14 (e)

Australian/New Zealand Standard AS/NZS ISO 31000:2009

Institute of Internal Audit Standards

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

A sound control environment will assist in the management of Council's financial risks.