



murchisonshire

Ancient land under brilliant skies

Ordinary Council Meeting

22 October 2020

Attachments

15.1.1 - October 2020

A10-0202 100 71

4:30. 1CR2714

MERVYN J. TOMKINS

NOOKAWARRA STATION

via CUE WA 6640

2-10-2020

The CEO
Muncluson Shire

Dear Sir,
Can you work it in to bitaminie
at least 2 or 4 Mast homestead. +
perhaps while your at it + have the
machines here what about doing 40 ks?
It seems that the other roads have been
getting done + poor old Kindas road is
left. maybe the CSIRO could fund
Boulacardy?

Good on you
yours

M. J. Tomkins

P.S. shires like Perenjori + Dalby - Callaway did
these roads 60 odd yrs ago!

1024
ICR 2107

21 SEP 2020



Our Ref: 8352

Mr Bill Boehm
Chief Executive Officer
Shire of Murchison
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MULLEWA WA 6630

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Dear Mr Boehm

**ANNUAL FINANCIAL REPORT
INTERIM AUDIT RESULTS FOR THE YEAR. ENDING 30 JUNE 2020**

We have completed the interim audit for the year ending 30 June 2020. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to evaluate your overall control environment, but not for the purpose of expressing an opinion on the effectiveness of internal control, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

Management Control Issues

I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the course of the interim audit. These matters have been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management. Some of the matters may be included in our auditor's report in accordance with section 7.9(2) of the *Local Government Act 1995* or regulation 10(3)(a) and (b) of the *Local Government (Audit) Regulations 1996*. If so, we will inform you before we finalise the report.

An audit is not designed to identify all internal control deficiencies that may require management attention. It is possible that irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7716 if you would like to discuss these matters further.

Yours faithfully

SUBHA GUNALAN
DIRECTOR FINANCIAL AUDIT
September 2020

Attach

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1 Impact of changes to accounting standards	✓		
2 Changes to employee and supplier master files	✓		
3 Purchase orders not authorised		✓	
4 Review of fixed asset register reconciliation to the general ledger	✓		
5 Review of attractive asset register	✓		
6 Segregation of duties: preparation and review of accounts receivable reconciliation and ageing report		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We consider these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1 Impact of changes to accounting standards

Findings:

Several significant changes have occurred to Australian Accounting Standards, which will be applicable to the Shire in 2019-20. However, during the audit it was noted that the Shire has not finalised its assessment of the implication of the following new accounting standards commencing in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 1058 *Income of Not-for-Profit Entities*

Rating: Significant

Implication:

Failure to be ready and prepared for these new accounting standards could delay the timely preparation of the annual financial report and cause additional audit work resulting in increased audit costs associated with these new standards.

Recommendation:

The Shire should complete its assessment of the impact of the new accounting standards and, if required, seek external consultation to reduce the risk of delays and additional costs.

Management comment:

With regard to AASB15 Revenue from Contracts with Customers it was only through discussions with Moore Stephens that this standard could be considered relevant to the Shire. Even then, it would appear to be routine in that rate revenue is recognised when a rate or instalment notice is issued, a debtor invoice when the work has been completed or progressed as agreed or cat and dog registrations prior to the expiry by 31 October of the relevant year. For grant funding revenue is recognised as soon as the debtor invoice can be issued which could be fulfilment of relevant requirements or, in the worst case, when the funds appear on the bank statement and needs to be investigated.

If a formal response is required, it is intended that this be concluded by 30 September 2020.

Responsible person: Acting Deputy Chief Executive Officer
Completion date: 30 September 2020

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2 Changes to employee and supplier master files

Findings:

During the audit, we noted the Shire does not maintain evidence to show that changes made to the employee and supplier master files, including bank account details, have been reviewed and authorised by an officer independent of the officer making the amendment.

SynergySoft (the Shires accounting system) can produce exception reports, which provide details of changes made to the master files.

Rating: Significant

Implication:

There is an increased risk of unauthorised changes occurring potentially resulting in errors or funds being inappropriately transferred without detection.

Recommendation:

The Shire should produce exception reports from SynergySoft, which provide details of changes to the master files. The reports should be independently reviewed by an appropriate officer.

Shire management should ensure that evidence of changes to the employee and supplier master files are retained and there is independent review of these changes.

Accounting system access privileges to these master files should be reviewed to ensure that only appropriate staff have access to enter and approve such changes.

Management comment:

Changes to Synergy employee and supplier master files are physically stored in either personnel or creditor folders 4.37.1. It has not been the practice to sign off on changes as the "proof" for change is attached, be this an email from the employee updating their details, or supplier documentation.

We recently subverted an attempted scam by an email purporting to be by a supervisor contractor to change banking details for a second contractor. As the signatures and words/tone used were extremely unusual, by phoning both parties involved both verified that the changes requested in the scam emails were bogus. We have a very small staff and this example was also used as a practical education for all.

The Synergy access privileges have been granted to employees based on their role requirements. However, as an extra precaution, an exception report could be run as part of end of month processes.

Responsible person: Acting Deputy Chief Executive Officer
Completion date: 31 July 2020

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3 Purchase orders not authorised

Findings:

The Shire's purchasing policy requires purchase orders to be raised for all purchases (unless a credit card has been used to pay for the goods and services or a contract is required), with the purchase order being signed by a authorising officer.

During our audit testing of compliance with the purchasing policy, from a sample of 30 purchase transactions, two instances (7%) were identified where the purchase order was not signed by an authorising officer and one instance (3%) of an invoice stamp not being signed as received by a receiving officer.

Rating: Moderate

Implication:

Non-compliance with the Shire's purchasing policy increases the risk of unauthorised or inappropriate procurement, failing to deliver "Value for Money" and breaching regulation 11 of the Local Government (Financial Management) Regulations 1996.

Recommendation:

The Shire should reinforce with staff the requirement for proper review and authorisation of purchase orders by an officer separate from the preparation and approval of the purchase order.

Management comment:

All employees with delegated authorities are provided with written evidence of their purchasing limit. Purchases orders, whilst raised in Synergy, require the authorising officer to physically sign the document. Invoices are still authorised by either the CEO, DCEO or the Works Supervisor.

The DCEO checks creditor batches keyed by the Finance Officer against the paperwork prior to updating the batch. A final perusal also occurs when payment runs are made. With all these checks in place, it can only be assumed that on some rare occasions staff may have been determined to get through their workload and not constantly check and recheck and as a result on some occasions such that there may be an oversight. Since the Interim Audit with staff becoming more experienced it is doubtful whether such a finding would be as prevalent.

Responsible person: Acting Deputy Chief Executive Officer
Completion date: 1 July 2020

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

4 Review of fixed asset register reconciliation to the general ledger

Finding:

During our audit of the design and implementation of internal controls over the fixed assets transaction cycle, the Shire was unable to provide sufficient evidence to show that the fixed asset register has been regularly reconciled with the general ledger.

Rating: Significant

Implication:

Failure to regularly review the reconciliation between the fixed asset register and the general ledger increases the risk of errors and omissions remaining undetected, which in turn could lead to misstatements in the Shire's financial reporting.

Recommendation:

The Shire formally document the regular reconciliation of the fixed asset register to the general ledger. The review should be evidenced by being signed and dated by the preparer and reviewer.

Management comment:

The last reconciliation that was done in-house was prior to 2017-18, at which point Moore Stephens took over management of the asset register. The process had partially resumed in-house in 2018-19; however, with key staff departures about May to July 2019 inadequate handover occurred. Reconciling the fixed asset register to the general ledger will resume for 2020-21.

Responsible person: Acting Deputy Chief Executive Officer

Completion date: 1 July 2020

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

5 Review of attractive asset register

Findings:

Regulation 17B of the Local Government (Financial Management) Regulations 1996 requires the Shire to take all reasonable steps to protect assets with a fair value of under \$5,000 that is susceptible to theft or loss due to its portable nature and attractiveness for personal use or resale. The generally accepted key control to help meet the requirements of regulation 17B is to maintain an 'attractive items register'.

As at date of audit, the Shire has not developed and maintained an 'attractive items register'.

Rating: Significant

Implication:

Failure to comply with regulation 17B of the Local Government (Financial Management) Regulations 1996 increased risk of theft or loss of portable and attractive assets.

Recommendation:

The Shire should develop and maintain an 'attractive items register'. The completeness and accuracy of the 'attractive items register' should be regularly tested through physical asset stocktakes with differences between the register and physical counts being reported, together with particulars of follow-up action, to the Chief Executive Officer.

Management comment:

A starting point was implemented when minor assets were separated from the asset register effective 1 July 2019. This will form the basis of data entry into the SynergySoft *Minor Tools* module which was developed as a request by the Itvision User Group, of which the Shire is a member. Such assets will be tagged by admin or depot staff as appropriate and the DCEO will monitor creditor invoices for such items.

The Corporate Services Officer has already sourced and ordered labels. She will manage the labelling of items in conjunction with the Depot Services Officer.

Responsible person: Acting Deputy Chief Executive Officer

Completion date: 30 November 2020

SHIRE OF MURCHISON

PERIOD OF AUDIT: 1 JULY 2019 TO 30 JUNE 2020

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

6 Segregation of duties: preparation and review of accounts receivable reconciliation and ageing report

Findings:

During our audit, we noted that the preparation and review of the accounts receivable reconciliation and ageing report were performed solely by the Deputy Chief Executive Officer, due to high staff turnover.

We understand that from April 2020, following the hiring of additional staff, the preparation of the reconciliation and ageing report is now performed by the Corporate Services Officer and reviewed by the Deputy Chief Executive Officer.

Rating: Moderate

Implication:

It is important that no single person is responsible for both the duties of being the preparer and reviewer. The separation of key accounting responsibilities, or at least, introducing an element of an independent review of data, is a critical internal control in any system to prevent misappropriation of funds error, or unrecorded transactions.

Recommendation:

The Shire should ensure that there is appropriate segregation of duties between the preparation and review of the account's receivable reconciliation and ageing report.

Management comment:

With a skeleton staff an exact segregation of duties will be virtually impossible to completely implement. This is compounded when staff are on extended leave and remaining staff are required to fill the gaps. As indicated in the above Audit Findings the preparation of the reconciliation and ageing report is now performed by the Corporate Services Officer and reviewed by the Deputy Chief Executive Officer.

Regardless, all paperwork to support decisions and/or payments made is filed.

Responsible person: Acting Deputy Chief Executive Officer

Completion date: 1 July 2020

Risk Dashboard Report October 2020

Executive Summary

Being the Shire's third report under the introduced risk management framework, focus is on driving continual improvement. Future reports will continue to provide relevant insight and recommendations to assist governance activities for the Shire Management.

The review has identified that, given the financial constraints faced by the Shire, the controls that are in place are adequate or effective minimising the risks to the Shire. In addition, the review identified areas of improvement and the actions to be taken to achieve that improvement.

It is supported by the attached documents that were produced through a review and ensuing discussions since the commencement of a new management team comprising CEO and DCEO (who commenced in July 2019) and Works Supervisor who arose through the ranks to the position in late 2018.

Attachment 1 - Risk Profiles for the 15 themes identified.

Recommendations

1. The Audit Committee receive the CEO's report of the review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to: (a) risk management; and (b) internal control; and (c) legislative compliance.

Misconduct		Risk	Control
		Low	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO	
Review SynergySoft licences and purchase order system	Ongoing	DCEO	
Update IT password controls	Ongoing	CEO/DCEO/PCS	
More concise documentation of processes and practices	Oct-23	CEO/DCEO	

Business disruption		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Oct-23	CEO	
Formalise Business Continuity Plan	Oct-23	CEO	
Ongoing Continuous Improvement and Monitoring	Jun-21	CEO	

Inadequate environmental management		Risk	Control
		Low	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Water Bores to be licenced	Annually	CEO/Wks Sup	
Forward Planning of Native Vegetation Clearance Applications	Oct-23	Wks Sup	
Forward Planning of Aboriginal Heritage Clearance Applications	Oct-23	Wks Sup	

Errors, omissions & delays		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO/DCEO	

External theft & fraud (inc. Cyber Crime)		Risk	Control
		Low	Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO, DCEO	

Failure of IT &/or communication systems and infrastructure		Risk	Control
		Moderate	Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO/DCEO/PCS	

Murchison Shire Risk Dashboard Report October 2020

Failure to fulfil statutory, regulatory or compliance requirements		Risk Low	Control Effective	Inadequate safety and security practices		Risk Moderate	Control Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility		Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO		Reinforce Safety Culture and Requirements	Ongoing	CEO	
				Tier 1 implemented	Oct-20	Wrks Sup/DCEO	
				Safety Audit undertaken	Oct-20	Wks Sup/CEO/DCEO	
				Safe Work Procedures developed	Oct-20	Wks Sup/CEO/DCEO	

Inadequate document management processes		Risk Moderate	Control Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO/DCEO	
Records Management Training - Emails	Oct-23	All Staff	
Records Disaster Plan Reviewed	Oct-23	DCEO	

Ineffective employment practices		Risk Moderate	Control Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Training Needs Analysis & Training Register	Ongoing	DCEO	
Workforce Plan (Succession Planning Component)	Ongoing	CEO	
Staff housing. Review occupancy needs and add if required	Ongoing	CEO	
Continue upgrade of the existing housing stock	Ongoing	CEO	

Inadequate engagement practices		Risk Low	Control Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO	
Review and adopt Strategic Community Plan	Oct-21	CEO	

Inadequate project / change management		Risk Moderate	Control Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Key staff to undertake professional development in project and contract management	Oct-23	CEO/DCEO	
Ongoing Continuous Improvement and Monitoring Change	Oct-23	CEO/DCEO	

Inadequate asset sustainability practices		Risk Moderate	Control Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Part review asset management strategies and practices	Oct-20	CEO	
Complete updated review of asset management strategies and practices	Oct-23	CEO	
Development of a 3 year Rolling Works Program	Oct-23	CEO	

Inadequate supplier / contract management		Risk Moderate	Control Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Key staff to undertake professional development in project and contract management	Oct-23	CEO/DCEO/Wks Sup	

Ineffective management of facilities / venues / events		Risk Low	Control Effective
Current Issues / Actions / Treatments	Due Date	Responsibility	
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO	

This Risk Theme is defined as:

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

Potential causes include:

- Changing of job titles
- Delegated authority process inadequately implemented
- Disgruntled employees
- Poor internal checks (PO's and delegated authority)
- Password sharing

Key Controls	Type	Date	Shire Rating
<i>Delegation Register - Framework</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Delegation Control - Synergy</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Segregation of Duties (Financial)</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>IT Security Access Controls (Profiles & Passwords)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>External Monthly Financial Reports</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Induction Process (Code of Conduct)</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Purchasing Policy & Procedures</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Procurement Process (Purchase Order Process)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Rare</i>

Overall Risk Ratings:	Low
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>Audit Management Letter</i>	<i>Minor Items</i>	<i>Feb-20</i>	<i>Minor Items only</i>
<i>No adverse findings</i>	<i>Zero</i>	<i>Feb-20</i>	<i>Zero</i>

Comments

As rated by CEO & DCEO

The day to day systems and procedures have significantly improved over the previous period and generally over the past 12 months as the DCEO has been able provide some additions attention to detail. Time and resources availability is still is an issue. There have been no adverse findings of any consequence.

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Review SynergySoft licences and purchase order system</i>	<i>Ongoing</i>	<i>DCEO</i>
<i>Update IT password controls</i>	<i>Ongoing</i>	<i>CEO/DCEO/PCS</i>
<i>More concise documentation of processes and practices</i>	<i>Oct-23</i>	<i>CEO/DCEO</i>

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 erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Ineffective management of water sources (reclaimed, potable)
- Weed control
- Illegal dumping.
- Illegal clearing / land use.
- Vermin / Wild dog

Potential causes include:

- Inadequate management of landfill sites
- lack of understanding / knowledge
- Inadequate local laws / planning schemes
- Inadequate reporting / oversight frameworks
- Community apathy.

Key Controls	Type	Date	Shire Rating
<i>Wild Dog Bounty Scheme</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Mosquito Fogging</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Settlement Waste Facility</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>RV Dump Point</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Road Drainage and bunding of old roads</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Ranger</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Supply Wild Dog Bait</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Clearing Permits</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Water Bore Licences</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate

Overall Control Ratings: **Adequate**

Risk Ratings	Shire Rating
Consequence:	<i>Moderate</i>
Likelihood:	<i>Rare</i>

Overall Risk Ratings: **Low**

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Infringement Notices Received</i>	<i>Zero</i>	<i>Oct-20</i>	<i>Zero</i>

Comments

As rated by CEO & DCEO

Many of the key controls are either not applicable to Council or only required to be applied at a low level due to the sparseness of the Shire and low population. Recent experience and delays in obtain Native Vegetation Clearances for gravel pits means that a more forward planning approach is required. This may also apply for Aboriginal Heritage Clearances if new legislation is enacted. There have been no adverse findings of any consequence.

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Water Bores to be licenced</i>	<i>Annually</i>	<i>CEO/Wks Sup</i>
<i>Forward Planning of Native Vegetation Clearance Applications</i>	<i>Oct-23</i>	<i>Wks Sup</i>
<i>Forward Planning of Aboriginal Heritage Clearance Applications</i>	<i>Oct-23</i>	<i>Wks Sup</i>

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)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Potential causes include:

- Inadequate security of equipment / supplies / cash
- Robbery
- Scam Invoices
- Lack of Supervision
- Plant and Equipment left in open areas

Key Controls	Type	Date	Shire Rating
<i>Fenced and Locked Depot</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Visitor Sign-in Register</i>	<i>Detective</i>	<i>Oct-20</i>	Adequate
<i>Tight Fiscal Controls</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Fidelity Insurance</i>	<i>Recovery</i>	<i>Oct-20</i>	Effective
<i>Fuel Tank Locks and Procedures</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Creditors Processing Procedures</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Purchasing Policy & Procedures</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Procurement Process (Purchase Order Process)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>IT Firewall Systems</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings: **Effective**

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Rare</i>
Overall Risk Ratings:	Low

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Reports of theft or fraud</i>	<i>Nil</i>	<i>Oct-20</i>	<i>Nil</i>

Comments

As rated by CEO & DCEO

There have been no adverse findings encountered

Previous Actions

- *Completed installation of locks on Roadhouse fuel tanks*
- *CCTV on Fuel Tanks was considered but at this stage the risk is deemed to be low*

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO, DCEO</i>

Failure to fulfil statutory, regulatory or compliance requirements

Oct-20

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.

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

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

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	Date	Shire Rating
<i>Compliance Return (DLG)</i>	<i>Detective</i>	<i>Annually</i>	Effective
<i>Compliance Calendars</i>	<i>Preventative</i>	<i>Annually</i>	Effective
<i>External Experts</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>External Auditor Reviews (Compliance)</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Subscriptions (WALGA)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Induction Process - Councillors / Staff</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Staff Network Channels</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Tender / EOI Process</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings: **Effective**

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Rare</i>

Overall Risk Ratings: **Low**

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Clear Compliance Return</i>	<i>Zero</i>	Mar-20	Zero
<i>Audit Management Letter</i>	<i>Minor Items</i>	Feb-20	Minor Items Only

Comments

As rated by CEO & DCEO

Improvements are dependent in part on the skills and availability of staff, resources and time available as well as conflicting priorities. There have however been no adverse findings of any consequence

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO</i>

Inadequate document management processes

18.1.1 - October 2020

Oct-20

This Risk Theme is defined as:

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of 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 (including climate control)
- High Staff turnover
- Outdated record keeping practices / incompatible systems
- Lack of system/application knowledge
- High workloads and time pressures
- Incomplete authorisation trails

Key Controls	Type	Date	Shire Rating
<i>Policy & Procedural Review Process</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Records Management Process</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Records Management Policy</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Records Management Plan</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Document / Correspondence Receipt & Action Process</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Filing System</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings: Adequate

Risk Ratings	Shire Rating
Consequence:	<i>Minor</i>
Likelihood:	<i>Possible</i>

Overall Risk Ratings: Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Annual Internal audit of records management process</i>	<i>Zero</i>		

Comments

As rated by CEO/DCEO

Document management processes are dependent in part on the skills of staff and expertise of staff. Records management plan has been adopted but still has to be widely implemented. This and other tasks are dependent on availability and skills of staff and competing priorities.

Previous Actions

- Development of climate controlled storage facilities. New air-conditioned container has been purchased and installed

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO/DCEO</i>
<i>Records Management Training - Emails</i>	<i>Oct-23</i>	<i>All Staff</i>
<i>Records Disaster Plan Reviewed</i>	<i>Oct-23</i>	<i>DCEO</i>

Inadequate engagement practices

Oct-20

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. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include:

- Budget / funding issues
- Media attention
- Inadequate documentation or procedures
- Staff shortages
- Short lead times
- Miscommunication / Poor communication
- Relationship breakdowns with community groups

Key Controls	Type	Date	Shire Rating
<i>Annual Electors Meeting</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Community Working Groups</i>	<i>Detective</i>	<i>Oct-20</i>	Adequate
<i>CEO Oversight</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Community Newsletter</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>MEG Member</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Regional Working Groups</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Mid West Regional Development Commission</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Community Email Circulations</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings: **Effective**

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Rare</i>
Overall Risk Ratings:	Low

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Community Satisfaction Survey</i>	<i>70%</i>		

Comments

As rated by CEO/DECO

The very small size of the community and their strong relationship with elected members engenders trust and provides a positive check and balance. There have been very few adverse outcomes and generally positive feedback regularly obtained. Rossco's Rundown, a monthly summary of actions from the Council Meeting, is now being distributed to the community

Previous Actions

- Development of an Annual Community Satisfaction Survey has not been undertaken. Following review it is considered that the nature of the relationship between Council and the Community is such that other community engagement measures are considered more important.

Current Issues / Actions / Treatments

	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Review and adopt Strategic Community Plan</i>	<i>Oct-21</i>	<i>CEO</i>

This Risk Theme is defined as:

Failure or reduction in service 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 & behaviour of operators
- Lack of trained staff
- Outdated equipment
- Unavailability of parts
- Lack of formal or appropriate scheduling (maintenance / inspections)
- Unexpected breakdowns

Key Controls	Type	Date	Shire Rating
Asset Management Plan	Preventative	Oct-20	Adequate
Annual Building Maintenance Schedule	Detective	Oct-20	Effective
Plant Replacement Program	Preventative	Oct-20	Effective
Plant Maintenance Schedule	Preventative	Oct-20	Effective
Road Asset Management System (ROMAN2)	Preventative	Oct-20	Effective

Overall Control Ratings: Effective

Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Unlikely

Overall Risk Ratings: Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
Detailed Long Term Asset Management Plan		Oct-23	
Three Year Rolling Works Program		Oct-23	
% Satisfaction with Shire Assets		Ongoing	90%

Comments

As rated by CEO/DCEO.

Councils primary asset base is associated with our road network. Whilst the Asset Sustainability, Consumption and Renewal Ratio Indicators are from an accounting viewpoint one aspect to consider in assessing overall asset sustainability performance there are many other factors to consider These include the range of assets and services offered, material source and standards of gravel, water availability, efficiency of services delivered, community satisfaction, sparseness, and major events such as flood repairs which invariably improve the quality and function of the Asset .

Council has only 180km of sealed roads but 1,778km of gravel roads. The standards and risks associated with maintaining each are markedly different. The information that makes up the calculation of each ratio is also subject to question depending on the timing of an entities an asset valuation and the degree of sophistication of the asset management plan. A review commenced in 2019/20 highlights that a nuanced road by road approach is required and is to be actioned and completed within the next reporting period. The Tolerance limits mentioned are also need to be tailor made to local circumstances. Anecdotally from observation and community feedback

Councils gravel road network receives favourable reviews. Council is in a moderately comfortable combined cash reserves and position and has a limited array of long non roads related expenditures in the future.

Previous Actions

Asset Sustainability Ratio (Tolerance 0.90 to 1.10, Overall Shire Result 0.54), Asset Consumption Ratio (Tolerance 0.50 to 0.75, Overall Shire Result 0.96), Asset Renewal Funding Ratio (Tolerance 0.95 to 1.05, Overall Shire Result 0.32) % Satisfaction with Shire Assets 90% achieved . Refer above comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Part review asset management strategies and practices	Oct-20	CEO
Complete updated review of asset management strategies and practices	Oct-23	CEO
Development of a 3 year Rolling Works Program	Oct-23	CEO

Ineffective management of facilities / venues / events

Oct-20

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 (e.g. cleaning / maintenance)

Potential causes include:

- Double bookings
- Illegal alcohol consumption
- Managing bond payments
- Animal contamination.
- Failed chemical / health requirements.
- Access to facilities / venues.

Key Controls	Type	Date	Shire Rating
<i>Contracted EHO</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Booking Diary</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Maintenance Schedules</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Event Bonds Charged</i>	<i>Recovery</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:		Effective
Risk Ratings		Shire Rating
Consequence:		<i>Moderate</i>
Likelihood:		<i>Rare</i>
Overall Risk Ratings:		Low

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Double bookings</i>	<i>Zero</i>	<i>Oct-20</i>	<i>Zero</i>
<i>Community Satisfaction Rating</i>	<i>90% Satisfaction</i>	<i>Oct-20</i>	<i>92%</i>

Comments

As rated by CEO/DCEO

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO</i>

Business disruption

18.1.1 - October 2020

Oct-20

This Risk Theme is defined as:

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- 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, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include:

- Cyclone, Flood, Fire, Earthquake, Severe Weather, Drought
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended power outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Date	Shire Rating
<i>Records Management Plan</i>	<i>Preventative / Recovery</i>	<i>Oct-20</i>	Adequate
<i>Business Continuity Plans</i>	<i>Recovery</i>	<i>Oct-20</i>	Inadequate
<i>District Emergency Management Committee</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>LEMC</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>LEMA</i>	<i>Recovery</i>	<i>Oct-20</i>	Adequate
<i>Insurance Cover</i>	<i>Recovery</i>	<i>Oct-20</i>	Effective
<i>Alternative Locations for Office</i>	<i>Recovery</i>	<i>Oct-20</i>	Adequate
<i>Volunteer Bushfire Brigade</i>	<i>Recovery</i>	<i>Oct-20</i>	Effective
<i>LEM Exercises</i>	<i>Detective</i>	<i>Oct-20</i>	Adequate
<i>Bushfire Maps (Local Infrastructure and Fuel Loads)</i>	<i>Detective</i>	<i>Oct-20</i>	Inadequate
<i>Shire Subsidises Freight on Key Consumables</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Shire Provision of Power and Water</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>COVID-19 Pandemic</i>	<i>Recovery</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Unlikely</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>Plans reviewed on annual basis</i>	<i>Zero</i>		

Comments

As rated by CEO & DCEO

Overall general performance continually improving. In responding to the COVID-19 Coronavirus Council resolved to act in accordance with the following principles and rationale associated with health and economic activity namely that
 - our overriding responsibility is to act to protect our citizens and community to prevent, control or abate the serious public health risk presented by COVID-19 by limiting the spread of COVID-19 and
 - that Council will act to ensure that we can function and deliver the required works and services to support and stimulate the local economy.

As a result such proactive response to the COVID-19 Pandemic saw little disruption to business with significant emphasis in responsibly accelerating works to support and stimulate the local economy

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Oct-23</i>	<i>CEO</i>
<i>Formalise Business Continuity Plan</i>	<i>Oct-23</i>	<i>CEO</i>
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Jun-21</i>	<i>CEO</i>

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.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Potential causes include:

- Human Error
- Inadequate procedures or training
- Lack of Staff (or trained staff)
- Incorrect information
- Miscommunication

Key Controls	Type	Date	Shire Rating
<i>Documented Procedures / Checklists</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Small Multiskilled Workforce</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Outsourced Advisory/Specialist Services</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Complaints Register</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Segregation of Duties (Financial Control)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>External Month End Financial Report</i>	<i>Detective</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	<i>Moderate</i>
Likelihood:	<i>Unlikely</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>Adverse legal findings</i>	<i>Zero</i>	<i>Oct-20</i>	<i>Zero</i>
<i>Adverse finding following formal complaints to DLGC Standards Panel</i>	<i>Zero</i>	<i>Oct-20</i>	<i>Zero</i>

Comments

As rated by CEO/DCEO

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Ongoing Continuous Improvement and Monitoring</i>	<i>Ongoing</i>	<i>CEO/DCEO</i>
<i>Refine procedures and documentation</i>	<i>Oct-23</i>	<i>DCEO</i>

This Risk Theme is defined as:

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

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

Potential causes include:

- Weather impacts
- Power outage
- Out dated / inefficient hardware
- Incompatibility between operating systems and software
- Vermin damage
- Infrastructure breakdown such as landlines, radio communications.
- Lack of training
- Software vulnerability

Key Controls	Type	Date	Shire Rating
External Data Back up Systems	Recovery	Oct-20	Effective
External Service Providers	Preventative	Oct-20	Effective
Generators On Site	Preventative	Oct-20	Adequate
UPS	Recovery	Oct-20	Effective
Disaster Recovery Plan in Records Management Plan	Recovery	Oct-20	Adequate
Multiple Phone / Fax Lines	Preventative	Oct-20	Effective
Satellite Internet	Preventative	Oct-20	Adequate
UHF / VHF	Recovery	Oct-20	Effective
Sat Phones	Recovery	Oct-20	Effective
Direct Access Phone	Recovery	Oct-20	Effective

Overall Control Ratings:

Effective

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

Key Indicators	Tolerance	Date	Overall Shire Result
Virus Reports	Nil Infections	Oct-20	
Successful Backups	One unsuccessful backup per month	Oct-20	

Comments

As rated by CEO & DCEO

- Previous Actions

- Implement feedback report on back up testing and virus infections. PCS now monitor this as par of ther service

- Investigate options to upgrade generators. Investigation complyed and two new units purchased. Installation scheduled for November 2020

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	Ongoing	CEO/DCEO/PCS

This Risk Theme is defined as:

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

- 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 first aid supplies or trained staff
- Poor housekeeping
- Inadequate security arrangements
- Inadequate signage, barriers or other exclusion techniques
- Storage and use of Dangerous Goods
- Ineffective / inadequate testing, sampling (similar) health based req'
- Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Shire Rating
<i>Prestart Checks - Works</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Employee Safety Handbook</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Staff Reviews / Training Plans</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Hazard Register</i>	<i>Detective</i>	<i>Oct-20</i>	Adequate
<i>Incident / Accident Register</i>	<i>Recovery</i>	<i>Oct-20</i>	Inadequate
<i>Contractor / Site Inductions</i>	<i>Preventative</i>	<i>Oct-20</i>	Inadequate
<i>Dangerous Good Handling (Roadhouse)</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>PPE</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>First Aid Training and Supplies</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Health and Wellbeing Assessments</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>MSDS</i>	<i>Preventative</i>	<i>Oct-20</i>	Inadequate
<i>Sat Phones and UHF Equipment</i>	<i>Recovery</i>	<i>Oct-20</i>	Adequate
<i>Isolated workers contacted on Regular basis</i>	<i>Recovery</i>	<i>Oct-20</i>	Adequate
<i>Staff Inductions</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate

Overall Control Ratings: **Adequate**

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Unlikely</i>

Overall Risk Ratings: **Moderate**

Key Indicators	Tolerance	Date	Overall Shire Result
<i>4801 Audit Results</i>	<i>No Major Non-conformances</i>		
<i>Lost time injury</i>	<i>Zero</i>		
<i>Successful Public Liability claims</i>	<i>Zero</i>	<i>Oct-20</i>	<i>Zero</i>

Comments

*As Rated by CEO & DCEO
Reinforce Safety Culture and Requirements are continually reinforced and grup issie raied and documented as part of the monthly Tool Box Meeting*

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Reinforce Safety Culture and Requirements</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Tier 1 implemented</i>	<i>Oct-20</i>	<i>Wrks Sup/DCEO</i>
<i>Safety Audit undertaken</i>	<i>Oct-20</i>	<i>Wks Sup/CEO/DCEO</i>
<i>Safe Work Procedures developed</i>	<i>Oct-20</i>	<i>Wks Sup/CEO/DCEO</i>

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 OH&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
- Single Person Dependencies
- Poor internal communications / relationships
- Ineffective performance management programs or procedures.
- Ineffective training programs or procedures.
- Limited staff availability - isolation
- Inadequate Induction practices.

Key Controls	Type	Date	Shire Rating
<i>WALGA Workplace Solutions</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Toolbox Meetings</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Personnel Files</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Training Needs Analysis & Training Register</i>	<i>Preventative</i>	<i>Oct-20</i>	Inadequate
<i>Workforce Plan (Succession Planning Component)</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Staff Inductions (Code of Conduct Component)</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Attraction and Retention Benefits</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Performance Review Process</i>	<i>Detective</i>	<i>Oct-20</i>	Adequate

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Unlikely</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>% Staff turnover rate</i>	<i>10%</i>		
<i>Absenteeism</i>	<i>5d/y/p</i>		
<i>Workers Compensation Claims (Stress Claims)</i>	<i>nil</i>		

Comments

As rated by CEO/DCEO

Employment practices are undertaken in a nuanced manner due to our remote location, very small staff numbers and requirements to provide housing at a reasonable standard for our environment for all employees. This means that securing highly qualified staff is limited with the need to maximise the use of available local talent wherever possible.

Previous Actions

- Council Meeting Debrief with all staff regularly undertaken This is done through regular Tool Box Meetings
- Training Needs Analysis & Training Register
- Workforce Plan (Succession Planning Component). Completed.
- Staff Inductions (Code of Conduct Component). Regularly applied
- Attraction and Retention Benefits. Staff housing. Review occupancy needs and add if required. Continue upgrade of the existing housing stock. 2019/20 saw the construction of 2 new staff houses as well as commencing a long overdue upgrade of the existing housing stock and providing storage containers or shed where required

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Training Needs Analysis & Training Register</i>	<i>Ongoing</i>	<i>DCEO</i>
<i>Workforce Plan (Succession Planning Component)</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Staff housing. Review occupancy needs and add if required</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Continue upgrade of the existing housing stock</i>	<i>Ongoing</i>	<i>CEO</i>

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
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include:

- Lack of communication and consultation
- Lack of investment
- Ineffective management of expectations (scope creep)
- Inadequate project planning (resources/budget)
- Large or unique projects
- Inadequate monitoring and review
- Project risks not managed effectively
- Lack of project methodology knowledge and reporting requirements

Key Controls	Type	Date	Shire Rating
<i>Outsource - Major Project Components</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>CEO / Works Supervisor ongoing review and adjustment of all operations</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Council Project Reporting</i>	<i>Detective</i>	<i>Oct-20</i>	Effective
<i>Capital Works Program</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Integrated Planning Framework</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:	Effective
---------------------------------	------------------

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Unlikely</i>

Overall Risk Ratings:	Moderate
------------------------------	-----------------

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Major Project Actual vs Budget</i>	<i>10%</i>		
<i>Major Project duration</i>	<i>10%</i>		

Comments

As assessed by CEO/DCEO

Previous Actions

- CEO/DCEO to undertake professional development in project and contract management. This should also apply to apply to the Works Supervisor and other key staff.

- Change Management Framework to be developed. Operationally adaptation is on a continuous improvement / change basis

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Key staff to undertake professional development in project and contract management</i>	<i>Oct-23</i>	<i>CEO/DCEO</i>
<i>Ongoing Continuous Improvement and Monitoring Change</i>	<i>Oct-23</i>	<i>CEO/DCEO</i>

This Risk Theme is defined as:

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

- Concentration issues
- Vendor sustainability

Potential causes include:

- Funding
- Complexity and quantity of work
- Inadequate tendering process
- Geographical remoteness
- Inadequate contract management practices
- Ineffective monitoring of deliverables
- Lack of planning and clarity of requirements
- Historical contracts remaining

Key Controls	Type	Date	Shire Rating
<i>Murchison Oasis Roadhouse Lease</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Contracts with Key Suppliers</i>	<i>Preventative</i>	<i>Oct-20</i>	Adequate
<i>Tender / EOJ Process</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>Outsource Large Tenders</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective
<i>WALGA Preferred Supplier</i>	<i>Preventative</i>	<i>Oct-20</i>	Effective

Overall Control Ratings:	Effective
---------------------------------	------------------

Risk Ratings	Shire Rating
Consequence:	<i>Major</i>
Likelihood:	<i>Unlikely</i>
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
<i>Valid Complaints re Tender Process</i>	<i>Zero</i>	Oct-20	No complaints recived

Comments

As rated by CEO/DCEO
 Previous Actions
 - Review of Contract due dates and scope. Due to staff chnages no formal review undertaken but by an large expry dates met

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Review of Contract due dates and scope</i>	<i>Oct-23</i>	<i>CEO/DCEO/Wks Sup</i>



Risk Management Governance Framework

- Risk Management Policy
- Risk Management Procedures

Last Updated: November 2014

Version: 1.00

Shire of Murchison

Prepared by: LGIS Risk Management

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Introduction

The Policy and Procedures form the Risk Management Framework for the Shire of Murchison (the “Shire”). It sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2009 Risk Management.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from LGIS Risk Management.

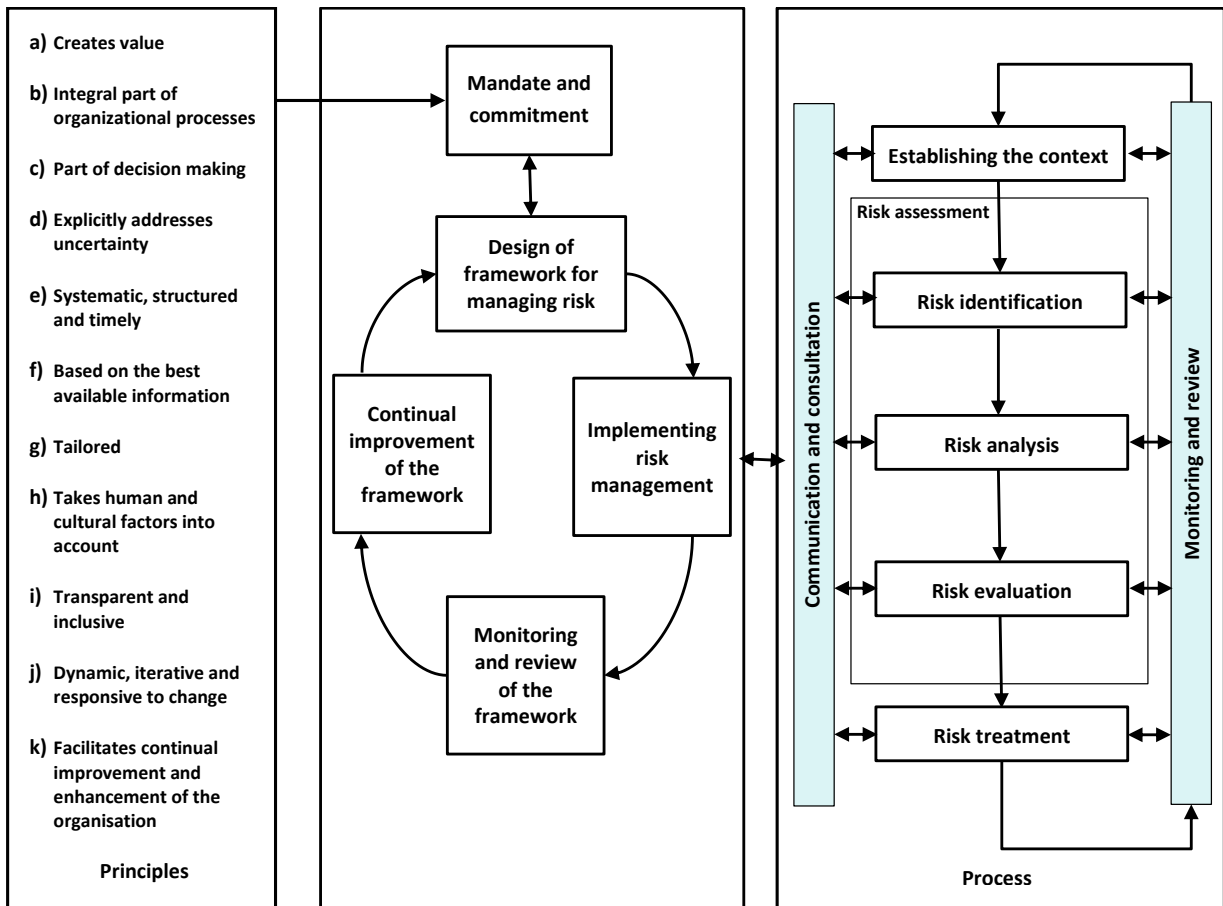


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

Risk Management Policy

Shire Requirement

Insert policy administration details/requirements where applicable e.g. Policy name, Implementation date, Revision date, Policy owner and delegations, Referenced legislation and standards.

Purpose

The Shire of Murchison (the “Shire”) Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire’s strategies, goals or objectives.

Policy

It is the Shire’s Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire’s Integrated Planning Framework.

The CEO will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as, direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management from the identification of risks to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process, or management of specific risks or categories of risk.

Definitions (from AS/NZS ISO 31000:2009)

Risk: Effect of uncertainty on objectives.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process: Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Management Objectives

- Optimise the achievement of our vision, mission, strategies, goals and objectives.
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
- Enhance risk versus return within our risk appetite.
- Embed appropriate and effective controls to mitigate risk.
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhance organisational resilience.
- Identify and provide for the continuity of critical operations

Risk Appetite

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Procedures and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Roles, Responsibilities & Accountabilities

The CEO is responsible for the allocation of roles, responsibilities and accountabilities. These are documented in the Risk Management Procedures (Operational Document).

Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Management Team and its employees. It will be formally reviewed every two – four years.

Signed:

Chief Executive Officer

Date: ____/____/____

Risk Management Procedures

Governance

Appropriate governance of risk management within the Shire of Murchison (the “Shire”) provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every four years.

Operating Model

The Shire has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the Shire are considered ‘1st Line’. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the decisioning of risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Risk Framework Owner (RFO) - CEO acts as the primary ‘2nd Line’. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the Shire’s risk reporting for the CEO & Management Team and the Audit Committee.

Third Line of Defence

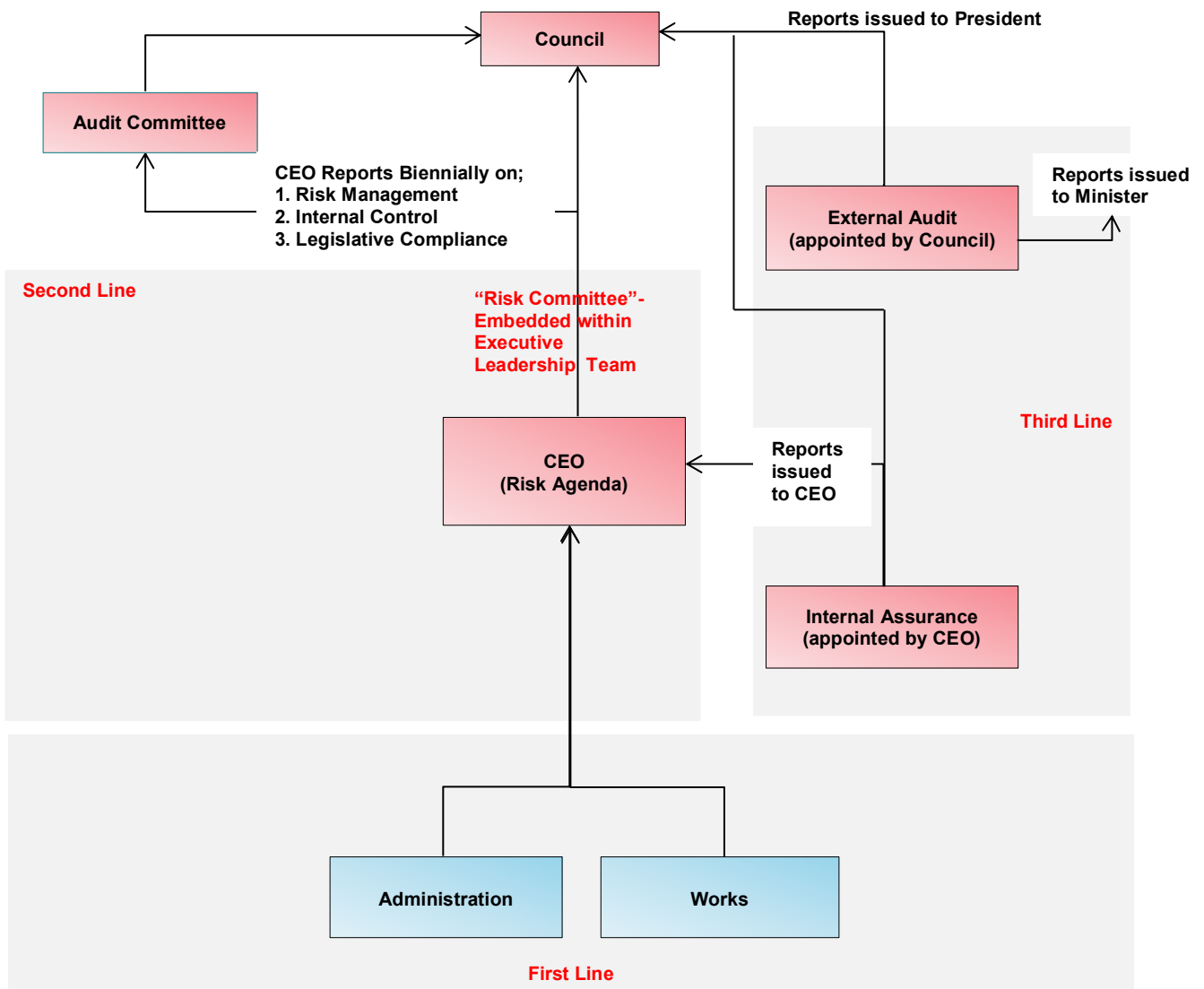
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Assurance – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.



Roles & Responsibilities

Council

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain an Audit Committee in terms of the Local Government Act.

Audit Committee

- Support Council to provide effective corporate governance.
- Oversight of all matters that relate to the conduct of External Audits.
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

CEO / Works Supervisor

- Appoint Internal Auditors as required under Local Government (Audit) regulations.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Own and manage the Risk Profiles at Shire Level.

Risk Framework Owner - CEO

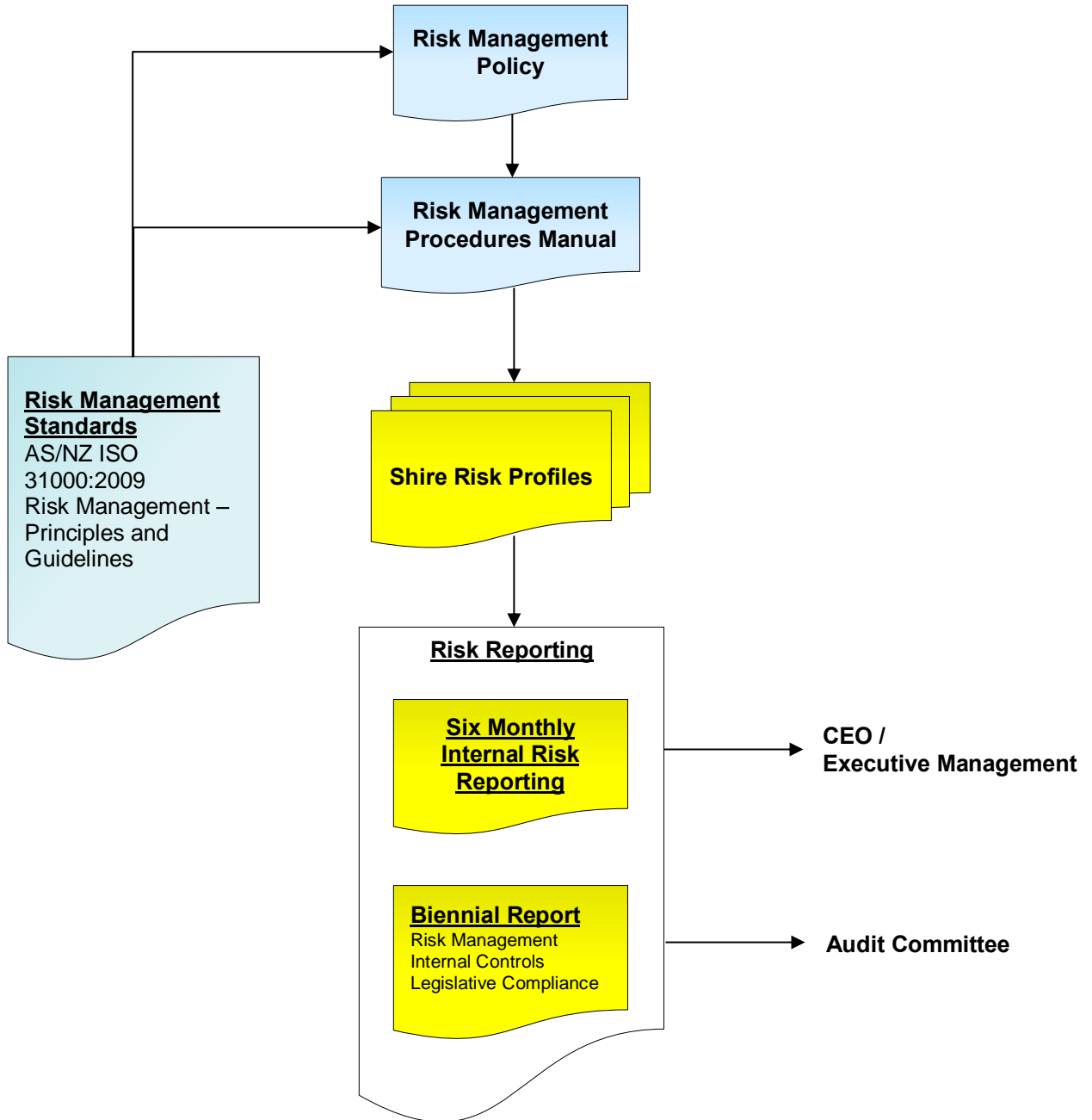
- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for Risk matters.

Work Areas

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
 - New or emerging risks.
 - Review existing risks.
 - Control adequacy.
 - Outstanding issues and actions.

Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.



Risk & Control Management

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

The Risk Framework Owner (RFO) is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

Risk & Control Assessment

To ensure alignment with ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

Organisational Context

The Shire's Risk Management Procedures provides the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Risk Framework Owner (RFO) and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

Strategic Context

The Shire's external environment and high level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Shire from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

Risk Analysis

To analyse the risks the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner (RFO) is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

Monitoring & Review

The Shire is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- changes to context,
- a treatment is implemented,
- an incident occurs or due to audit/regulator findings.

The Risk Framework Owner (RFO) is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

Communication & Consultation

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

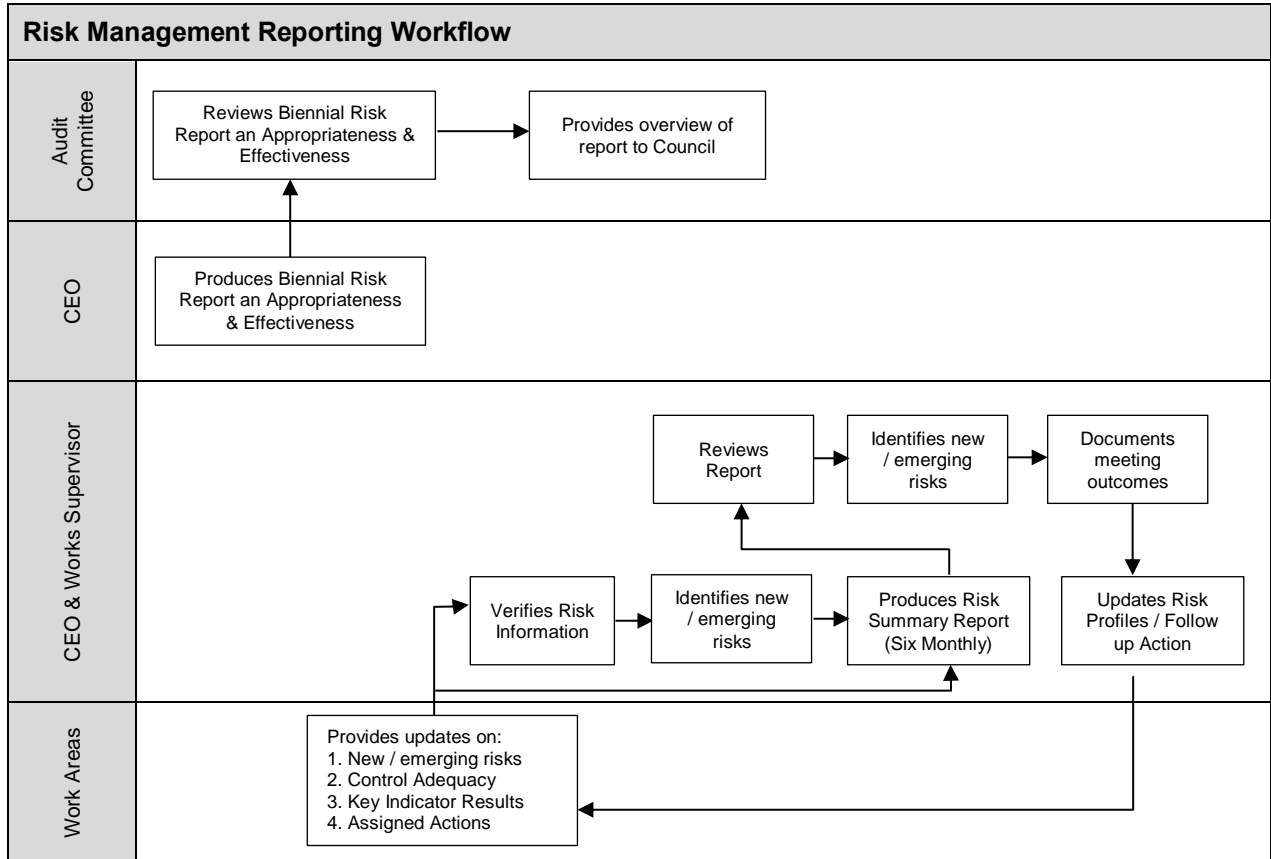
Risk management awareness and training will be provided to all staff.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.

Reporting Requirements

Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Risk Framework Owner (RFO).
- Work through assigned actions and provide relevant updates to the Risk Framework Owner (RFO).
- Risks / Issues reported to the CEO are reflective of the current risk and control environment.

The Risk Framework Owner (RFO) is responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Six Monthly Risk Reporting– Contains an overview of the Risk Summary for the Shire.
- Annual Compliance Audit Return completion and lodgement.

Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

- A description of the risk.
- An assessment of the risk (eg. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (ie. Management Team)

Annual Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Risk Framework Owner (RFO) that sets out the control assurance activities to be conducted over the next 12 months. This plan needs to consider the following components.

- Existing control adequacy ratings across the Shire's Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2nd line assurance information / reviews (eg. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Risk Framework Owner (RFO), input and consultation will be sought from individual Directorates.

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	First aid injuries	\$1,001 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries	\$10,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury	\$50,001 - \$250,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$250,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Rating	Description	Frequency	Probability
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

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

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

Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	<ol style="list-style-type: none"> Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	<ol style="list-style-type: none"> Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	<ol style="list-style-type: none"> Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.

Appendix B – Risk Profile Template

Risk Theme	Date		
<p><u>This Risk Theme is defined as:</u> <i>Definition of Theme</i></p>			
<p><u>Potential causes include:</u> <i>List of potential causes</i></p>			
Key Controls	Type	Date	Shire Rating
<i>List of Key Controls</i>			
Overall Control Ratings:			
Risk Ratings			Shire Rating
Consequence:			
Likelihood:			
Overall Risk Ratings:			
Key Indicators	Tolerance	Date	Overall Shire Result
<i>List of Key Indicators</i>			
<p><u>Comments</u> <i>Rationale for all above ratings</i></p>			
Current Issues / Actions / Treatments		Due Date	Responsibility
<i>List current issues / actions / treatments</i>			

Appendix C – Risk Theme Definitions

Misconduct

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

External theft & fraud (inc. Cyber Crime)

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)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Business & community disruption

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- 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, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Errors, omissions, delays

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.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Failure of IT &/or Communications Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

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

Failure to fulfil statutory, regulatory or compliance requirements

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.

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

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

Providing inaccurate advice / information (Combined with Errors, Omissions and Delays)

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

Inadequate project / change Management

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
- Failures of IT Project Vendors/Contractors

Inadequate Document Management Processes

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

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

Inadequate safety and security practices

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

- 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.

Inadequate engagement practices

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. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Inadequate asset sustainability practices

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps 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.

Inadequate Supplier / Contract Management

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

- Concentration issues
- Vendor sustainability

Ineffective employment practices

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 OH&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 process inefficiencies.

Ineffective management of facilities / venues / events

Failure to effectively manage the day to day operations of facilities and / or venues. 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)

Inadequate environmental management.

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.

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Murchison Shire Risk Dashboard Report Summary 2014-2020

Risk Profile	2014		2016		2020	
	Risk	Control	Risk	Control	Risk	Control
Misconduct	Low	Effective	Low	Adequate	Low	Adequate
Inadequate environmental management	Moderate	Adequate	Low	Adequate	Low	Adequate
External theft & fraud (inc. Cyber Crime)	Low	Effective	Low	Effective	Low	Effective
Failure to fulfil statutory, regulatory or compliance requirements	Moderate	Effective	Low	Effective	Low	Effective
Inadequate document management processes	Moderate	Effective	Moderate	Adequate	Moderate	Adequate
Inadequate engagement practices	Low	Effective	Low	Effective	Low	Effective
Inadequate asset sustainability practices	High	Adequate	High	Effective	Moderate	Effective
Ineffective management of facilities / venues / events	Moderate	Effective	Low	Effective	Low	Effective
Business disruption	Moderate	Adequate	Moderate	Adequate	Moderate	Adequate
Errors, omissions & delays	Moderate	Adequate	Moderate	Adequate	Moderate	Adequate
Failure of IT &/or communication systems and infrastructure	Moderate	Adequate	Moderate	Effective	Moderate	Effective
Inadequate safety and security practices	High	Adequate	Moderate	Adequate	Moderate	Adequate
Ineffective employment practices	High	Adequate	Moderate	Adequate	Moderate	Adequate
Inadequate project / change management	High	Adequate	Moderate	Effective	Moderate	Effective
Inadequate supplier / contract management	Low	Adequate	Moderate	Effective	Moderate	Effective



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1 October 2020

Our Ref: 11.24

Kym Suckling
Senior Heritage Officer Regions
Heritage Operations

Via email AHAreview@dplh.wa.gov.au

Dear Kym

Re Aboriginal Cultural Heritage Bill 2020 Submission

I refer to your recent email dated 11 September 2020 advising that the Aboriginal Cultural Heritage Bill 2020 is now open for public consultation and of various information sessions being held over the State.

We note that there are new important features of the Bill including:

- early engagement and meaningful consultation with Aboriginal people in the identification, management and protection of their cultural heritage.
- a new Aboriginal Cultural Heritage Council to facilitate agreements between Aboriginal people and proponents and provide advice and strategic oversight to the Minister on management of Aboriginal heritage.
- the creation of local Aboriginal Cultural Heritage Services to ensure the right people speak for country and make agreements regarding their cultural heritage.
- new offences and penalties (up to \$10million); and
- improvements in transparency in decision-making.

We also note that the State Government is seeking feedback on the Bill prior to it being introduced into State Parliament by the end of 2020 with a submission deadline of 9 October 2020.

Given the far reaching and extremely important nature of this proposed legislation that will have significant impacts and potential penalties for non-compliance, Council considers the extremely short time frame for public consultation totally inappropriate. In these circumstances this Council, many others and WALGA have little time in which to prepare a coordinated response.

At Councils 24 September 2020 Council Meeting, Council arrived at various points for consideration as listed below as a follow on from our previous March 2020 submission, a copy of which is attached, and which seems to have been largely ignored.

Specific points that appear to have not been addressed in the Bill include the following:

1 Avoidance of spurious type objections / Penalties for false claims.

As indicated in the attached March 2020 submission Council has had mixed experience in relation to the "bona fides" of various claims which need to be addressed and as such Council feels that there should be penalties incorporated into the legislation for false claims. The legislation is silent on this issue, but the possibility of such occurrence would seem to be enhanced not mitigated through the proposed permit system.

2 *That all stakeholders need to have a part in the new legislation*

Whilst the Bill provides for a systematic assessment approach the extreme lack of consultation and the skew towards aboriginal demands then as outlined in the attached March 2020 submission the regions won't feel much ownership of the process which will lead to inevitable conflict down the track.

This is compounded by the extremely short public consultation time frame and as outlined under point 6 below the open-ended nature of the definition of cultural heritage.

3 *That an extended period of enforcement is of concern (what is correct today may be penalised in five years' time).*

This needs to be addressed. What if our Council satisfies the heritage requirements on a certain date does this mean that we have to stay open to comeback for a five-year period? What if in ignorance something, particularly something that wasn't obvious was disturbed. Is there retrospective action?

As it currently stands unless the activity is exempt the onus is on the person to know that an area of cultural heritage exists and may be harmed. This is too opened ended. The onus should be the other way round. Ie cultural surveys are undertaken, mapped and publicised.

4 *That some level of exemption or a reduced fee paid for by state or local government for any surveys done for public works.*

Unlike an entity who owns or leases land for occupation, our Council in the main has only predominately only one interest which relates to roads and roadmaking. Issues like road location, road status, vehicular turn arounds, road widenings, water extraction, drainage etc. are usually minor aspects that as a public benefit institution should ideally be exempt.

Moderate land clearances relating to gravel pits or extracting water from surface water sources may need some review but from the viewpoint that there is no exploitation of resources as Council merely provides a public benefit.

For entities such as mining companies or other landowners, who use the land and resources and derive income from their activities any additional time and costs associated with preparing management plans can be fully recovered as part of their operations.

This situation does not apply to Council we either spend local ratepayer money or government grants. Any additional compliance costs and delays are not considered justified.

It is therefore submitted that Council road related works be added to the "exempt activity" definition perhaps with the following parameters

- for roadworks in pastoral areas within 100m of the road centreline.
- for other roadworks within the road reserve
- road access tracks whether new or existing servicing gravel sites
- existing gravel pits
- water extraction points whether manmade or natural

For new gravel pits it would be expected that a permit would be undertaken as part of any native vegetation clearance

The rationale for these variations is one of practicality in that in the ordinary course of events in pastoral areas a 100m buffer either side of a road will from time to time be required for drainage works but will be used intermittently and in irregular locations and usually in very narrow 3-5m machine widths with minimal impact Still a 100m exclusion zone which looks on the surface to be excessive is in fact not so but the buffer width may from time to be occasionally required.

Regardless of whether the definition of “exempt activity” is accepted or not where Aboriginal Cultural Heritage Plans are required to be prepared these should be funded by the Aboriginal Heritage Council and not local government.

5 *All cultural heritage surveys conducted such that each survey is the first and final one.*
Once undertaken and accepted these should be publicly available.

6 *Clarifications on what is cultural/heritage site if not identified straight away*
Obviously, this will not apply to a significant site, but the Bill needs to provide some clarification of what constitutes cultural heritage.

The Bills definitions as outlined in section 10 of the Act are in the main described in largely abstract terms such as “*tangible and intangible benefits that are important to the Aboriginal people of the State, recognised through social, spiritual, historical, scientific or atheistic perspectives (including contemporary perspectives) as part of their traditional and living cultural heritage;*”.

Whilst on one level this is intuitively understood, such a vague definition makes it virtually impossible to define to anyone other than the relevant group except in relation to specific tangible objects or elements which can when pointed out be recognised in a wider sense. Unlike native title claims it is also not able to be tested.

In these circumstances the application of the Bill, unless sensitively and pragmatically done will present a significant issue for all authorities and persons that are affected by its application. This applies to Local Government and pastoralists generally.

7 *Clarification on why approved permits are not longer than two years*
It is submitted that a 5-year period is more appropriate but in reality, it could be open ended. Unlike planning and environmental considerations which can change over time, the very nature of being classified cultural heritage means just that it has historical significance and is more or less fixed. If it were a variable concept, then it wouldn't be classified as cultural heritage.

8 *That a state library is established for any heritage work carried out, therefor eliminating duplications.*

9 *That a robust system of decision making, and appeals is available to all stakeholders.*
The proposed system provides the ultimate review power with the Minister but in light of the vague nature of the definition of cultural heritage as outlined in point 6 and unless the scope of exempt activities is extended as outlined in point 4 are introduced the system will become unwieldy.

10 *Permit System*

The current Bill requires that a proponent is required to complete a due diligence assessment to determine if there is Aboriginal cultural heritage in the activity area, to determine if the activity is exempt, or a minimal, low or medium to high impact activity, and to identify Aboriginal parties they need to notify or consult about activity. Proponents are advised to contact the Department if they are unsure what level of activity their proposal comes under.

This requirement is too onerous, especially given the open-ended nature of the definition of cultural heritage as outlined the under point 6 above. As it stands now what specific activities constitute minimal, low or medium to high impact activity are as yet not prescribed

The onus and emphasis on the Bill should be changed to require those possessing the cultural knowledge to undertake their own due diligence assessment to determine if there is Aboriginal cultural heritage any area and to have this mapped and then assessed and approved by then Aboriginal Heritage Commission.

It would be appreciated if this submission can be acknowledged.

Meanwhile should you have any queries then please contact me to discuss.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bill Boehm', enclosed in a light grey rectangular box.

Bill Boehm

Chief Executive Officer

Enc Murchison Shire Aboriginal Heritage Act Review Fact Sheets Response Mar 2020

6 March 2020

Our Ref: 4.77

Kym Suckling
Senior Heritage Officer Regions
Heritage Operations \

Via email kym.suckling@dph.wa.gov.au

Dear Kym

Re AHA Review Fact Sheet - Improved Protection

I refer to your recent email dated 5 February 2020 and following discussions with Council provide the following preliminary comments, which in part are due to some recent experience with respect to the on-ground implementation under the current heritage act.

For instance, spurious spur of the moment type objections which cause much angst among our works crews with very costly consequences of temporary shutdowns. A few brief examples such as

- “could the Shire cease drawing water from the riverbed at the Ballinyoo Bridge but rather use the nearby turkeys nest” are quite reasonable, but others such as “you will have to pay us extra to survey these clearings on the edge of the road so you can turn your trucks around” are clearly not.
- an area gets inspected by the nominated group, but then other indigenous groups feel they have missed out and want to do another survey of the same area. There needs to be a clear indication of what group is responsible for what area so we can have fair and reasonable dealings with them and then move forward.

As a direct result this in part led Council to avoid the issue and cart water some extra distance of around 50km rather than use water within the river that was located close to the job because in this instance we had concerns with respect to delays as it was an urgent repair job and some disquiet rightly or wrongly with respect to dealing with the local indigenous community. I might point out that in another part of the Shire we had no such concerns having confidence with representatives of that particular indigenous community and proceeded on amicably and in an expeditious manner.

It is noted that “Aboriginal voices will be a key element of the new legislation.” We would hope this is the case but I would also add that all stakeholders voices need to be a part of the new legislation because if the new requirements are too heavily skewed towards aboriginal demands then the regions won't feel much ownership of the process which will lead to inevitable conflict down the track.

On the surface an extended period of enforcement is of concern because if our Council satisfies the heritage requirements on a certain date does this mean that we have to stay open to comeback for a five-year period? And what if in ignorance something, particularly something that wasn't obvious was disturbed. Is there retrospective action?



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An updated definition of what constitutes Aboriginal heritage, cultural landscapes and place-based intangible heritage is also potentially open to creating more confusion as there currently seems to be a lack of definitive understanding so what seems a broader definition becomes more problematical. It would seem that this definition is critical for changes to be successful.

Similarly encouraging agreements between Aboriginal people and land use proponents would seem on the surface to rely of a degree of trust and rapport being established with the Council having some confidence that the group is truly representative. We are also not sure how this relates to native title claims which on the surface would seem a more transparent process for agreements.

Unlike an entity who owns or leases land for occupation, our Council in the main has only predominately only one interest which relates to roads and roadmaking. Issues like vehicular turn arounds, road widenings are usually minor aspects that as a public benefit institution should ideally be exempt. However, moderate land clearances relating to gravel pits or extracting water from surface water sources may need some review but from the viewpoint that there is no exportation of resources; merely providing a public benefit. Perhaps for road authorities there should be some exceptions; perhaps within operating guidelines.

A few other points are requested to be considered including the following:

- establishing a state library for any heritage work carried out. This is to be stored and accessible to all parties to prevent doubling up of surveys
- some level of exemption or a reduced fee paid for by state or local government for any surveys done for "Public Works".
- all surveys conducted through PBC and each survey first and final.
- clarification on what is cultural/heritage site if not identified straight away, obviously not a significant site.
- penalties for false claims of sites.

We look forward to participating in the review

Should you have any queries then please contact me to discuss.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bill Boehm', with a stylized, cursive script.

Bill Boehm

Chief Executive Officer