Shire of Dardanup

APPENDICES

ORDINARY MEETING

To Be Held

Wednesday, 14 August 2019
Commencing at 5.00pm

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive - EATON

Department of Local Government Sport and Cultural Industries Community Sport and Recreation Facilities Funding

Annual and forward planning grants

Total project cost over $300,000

The CSRFF annual and forward planning grant round targets projects involving a detailed level of planning. The total project cost for the grant must be over $300,000. Grants given in this category can be claimed up to three financial years following the date of approval, depending on the requirements and approved details of the project.

Examples of annual projects:

- construction of grass or synthetic playing fields
- reticulation system for a grassed playing field
- New or upgraded swimming pool or leisure centre
- large floodlighting project
- New or upgraded changerooms and pavilions
- court or bowling green construction

2020/21 annual and forward planning round

June 2019

- Advertising in The West Australian Newspaper and regional newspapers.
- Application forms available from local governments (metro area only) and department regional offices (regional WA only).

August 2019

- Applications to be lodged at local governments by the end of the month. Applicants should check the closing date with their local governments, as they do vary.

September 2019

- Applications are assessed by local governments staff and recommendations prepared. Local governments are required to rate and rank all applications they receive in order of priority.
- Applications presented at local government council meeting.
- Applications must be lodged at department regional offices by 4 pm on the last working day of the month.

October/November 2019

- Applications are assessed by department Regional Managers.

December 2019/January 2020

- CSRFF Advisory Committee considers applications and makes recommendations to the Minister for Sport and Recreation.
- Minister for Sport and Recreation considers recommendations and grants approvals.
- Successful/unsuccessful applicants notified.

EATON SKATEPARK
CONSULTATION & CONCEPT DESIGN REPORT

Prepared by Skate Sculpture and New Line Skateparks
for The Shire of Dardanup

July 2019 V2

CONTENTS

(Appendix ORD: 12.2)

ABOUT SKATE SCULPTURE

Founded by Perth based skateboarders Tim Yuen and Mat de Koning, Skate Sculpture is a specialty skate park design consultancy that is closely connected with the WA skateboarding community and active in advocacy of skateboarding to local councils and town planners throughout Australia.

Through their advocacy efforts and community outreach they have been able to deliver quality design solutions that have become concrete reality. From the five-star rated Crimea Skate Plaza, to the Planning Institute of Australia award winning Forrestfield Youth Plaza, Skate Sculpture pride themselves on creating innovative skate facilities on the cutting edge of modern skate park design.

EXECUTIVE SUMMARY

Skate Sculpture and New Line Skateparks were commissioned by The Shire of Dardanup to facilitate a series of community consultations to create a concept design for the future Eaton Skatepark.

The Shire of Dardanup identified the vacant space between the Eaton Football Clubhouse and playground on Council Drive as the preferred site for the future facility. To meet the current and future community aspirations and create youth hub in Eaton a budget of $1,000,000 was proposed by the Shire of Dardanup for the detailed design and construction of the Skatepark.

Skate Sculpture facilitated three community design workshops, met with the Eaton Skatepark Working Group on three occasions and corresponded with the skate instructors at TailTap throughout the design process. This ensured the design was a reflection of in-depth community collaboration and worked within all site constraints identified by the Skatepark Working Group. TailTap's involvement was crucial in the process, ensuring the design met their standards as a skatepark that would cater to a broad range of skill levels with capacity for hosting skill development workshops and competitions.

The final design was presented to the Eaton community on June 29th 2019 with a very welcoming response from the community participants, many of whom were present for all three workshops and played a vital role in creating the design. Skate Sculpture were then to submit the concept designs with an accompanying project report and cost breakdown, ensuring the design could be constructed within the proposed budget.

Skate Sculpture are now producing a three-minute documentary about the design process to be used as support material when submitting for funding. Skate Sculpture will also work with Shire of Dardanup staff throughout the funding process, sharing expertise and customising support material for each submission as required.

The Eaton Skatepark Community Consultation and Concept Design was project managed by Mat de Koning from Skate Sculpture.

Email: matdekoning@skatesculpture.com.au
Mobile: 0412 696 467

The point of contact from the Shire of Dardanup was Lee Holben, Manager Community Services.

Email: Lee.Holben@dardanup.wa.gov.au
Phone:08 9724 0353
Mobile: 0436 652 114

COMMUNITY WORKSHOP ONE

Skate Sculpture was commissioned by the Shire of Dardanup to engage with local youth, parents and TailTap instructors to determine the variety of skate elements and styles of skatepark terrain for the future Eaton Skatepark.

On Sunday the 14th of April, the Skate Sculpture design team along with Shire of Dardanup staff facilitated a consultation at the pre-existing Eaton Skatepark during a skate, scoot and BMX competition facilitated by TailTap. Over 60 riders and parents were in attendance on the day.

The skatepark users and parents were encouraged to visit the consultation marque to partake in a survey and create their own designs for the future Eaton Skatepark. Skate Sculpture staff commenced the consultations by giving each participant an overview of the proposed site, explaining the intention behind the survey and describing the various styles of skateparks and skate obstacles featured within the vision boards displayed throughout the marque. A black and white aerial view of the proposed site was then provided where people could create their own designs.

To assist in this process, catalogues of popular skatepark obstacles were provided. To keep within budget the participants were given 15 points to make up their skatepark design. Red obstacles were worth 4 points, blue obstacles were worth 2 points and yellow obstacles were worth 1 point. This process encouraged the participants to only choose their favourite obstacles whilst keeping the designs reflective of the proposed total budget.

Once designs were complete, each group or individual had the opportunity to present their designs where they discussed the popular objects and explored potential layout options for the future facility. This was captured on camera for a documentary Skate Sculpture are producing to support the Eaton Skatepark Project.

During each workshop, participants filled in a two-page survey where they could nominate their favourite obstacles, share their design notes and state their closing thoughts on what they hope the future Eaton skate facility would achieve.

The following Tuesday morning, Skate Sculpture conducted a site visit with the Eaton Skatepark Working Group, where the various site constraints were discussed. This was followed by a de-brief session back at the Shire building to formulate a methodology for ensuring the design would best utilise the available space.
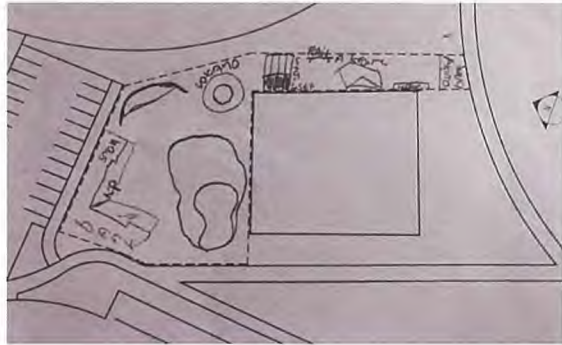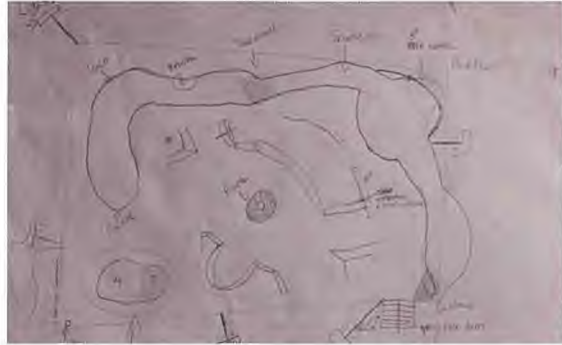
Participant's skatepark designs

DESIGN CONSIDERATIONS

After collating all survey data and the participant's designs, there was a clear desire for the skatepark to feature a mix of both street and transition (ramp) style elements. There were also several requests within the comments section for separate zones dedicated to varying skill levels, with emphasis on a low level area dedicated to young children to prevent them feeling intimidated by older riders.

The bowl was the most frequently requested skate element by a large margin. This was followed by several transition items included tacos, wave ramps, volcanos and hipped quarter pipes. The popular street items included a stair set with rails and hubbas, an A-frame, hips and combination ledge / rail / manual pad feature. It should also be noted that a bitumen pump track was requested several times both within the survey, and comments section.

The most frequently requested Infrastructure item was lighting, followed by seating, toilets, drink fountains, shade, a BBQ and CCTV. These items will help to create a welcoming and safe space for all community members to enjoy.

During the site visit it was noted by Skate Sculpture that the proposed available space would not accomodate a facility reflective of the budget. The Shire of Dardanup reviewed the area and extended the available footprint for the Skatepark

SURVEY DATA

AGE	Response
12 and under	11
13-18	16
19-25	0
26-35	3
36-45	5
45 +	4

GENDER	Response
Male	26
Female	13

DO YOU LIVE WITHIN THE SHIRE OF DARDANUP?	Response
Yes	25
No	14

HOW OFTEN DO YOU VISIT EAOTON SKATEPARK?	Response
Daily	9
Weekly	9
Monthly	4
Yearly	4
Never	10

HOW DO YOU GET THE THE SKATEPARK?	Response
Car	19
Skate/Scoot	14
Bike	6
Public transport	1
Walk	4

(Appendix ORD: 12.2)
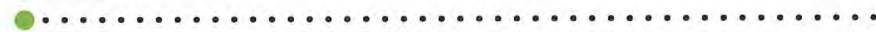
WHICH OF THESE ACTIVITIES DO YOU MOST FREQUENTLY PARTICIPATE IN?	
	Response
Skateboard	7
Scooter	12
BMX	12
Inline	0
Parent /Gaurdian	9
Other	0

WHAT TERRAIN DO YOU PREFER TO RIDE?	
	Response
Street	4
Transition	6
A mix of street and transition	28

(Appendix ORD: 12.2)

SKATE ELEMENTS	
Item	Response
Bowl	38
Taco	13
Wave ramp	13
Quarter pipe with hip	12
Box	10
Stairs / hubba/ rail	9
Volcano	8
Hip	8
A - frame	7
Pump track	7
Rail	7
Spine	7
Flow humps	6
Combo ledge / rail / manual pad	6
Ledge	5
Pimple	5
Quarter pipe	5
Flat bank	4
Doorway	4
Transition pocket	4

SKATE ELEMENTS	
Item	Response
Winding transition	4
Kicker to Kicker	3
Wall ride	3
Quarter pipe with bank	3
Noping on transitions	3
Garden gap / hubba ledge	3
Manual pad	2
Wally pole	2
Mini ramp	2
Curving quarter pipe	2
Huge drop in	2
Fly out	2
Kicker	1
Euro gap	1
Ledge with bank	1
Pier 7	1
Kids pump track	1
Extensions	1

(Appendix ORD: 12.2)

INFRASTRUCTURE	
Item	**Response**
Lighting	8
Seating	5
Toilets	4
Drink Fountain	4
Shade Structure	2
BBQ	1
CCTV	1

When asked what is iconic to Eaton that could inspire a customised skate-able sculpture in the Eaton Skatepark, leading responses were;

- *Eaton Boomers kangaroo, or a curvy skate rail for the Collie River*
- *Wedge-tail Eagles*
- *A park designed with the ground marked out with mini roadways for little kids to scoot or ride round and learn basic road rules*
- *Eaton Sports Centre*
- *I think you should do a bridge to reflect the new collie river bridge*
- *River*
- *Red rock*
- *Kangaroo on a skateboard*
- *Eaton letters on a skateboard*

The survey then asked participants to share their final thoughts on what they hope the Eaton Skatepark will achieve:

- Make it so there is big and small and easy and hard areas so it's good for everyone
- Please add toilets and drink fountains
- Seating close by to watch mates , more room, separate zones so more than one person can skate
- Please consider shade, tables & chairs perhaps a BBQ area and bins
- Family friendly with table and shaded areas for family's to make a day of it.
- A mix for all ages would be fantastic.
- Extra rubbish bins to promote a clean environment and a drink fountain.
- I request a small basketball court be incorporated into the proposed new Eaton Skatepark
- We should have a big bowl and we should have a little kids skate park
- Sensory plants / quit place to sit and watch kids with a coffee
- Collie spine / taco
- A skate park that can facilitate smaller children and teens safely, possibly a separation of areas
- Flow
- Decent pump track
- Room for little kids
- Pizzy 6-8ft
- Elanora
- No creeks
- Graffiti art on ramps
- Nice to ride
- Eaton letters on a skateboard

- Bowl with a knuckle 4-5.5ft
- Wants a huge drop in
- 6ft bowl 7ft extension
- Lights so you can ride at night
- Lights, speakers charger docks
- A decent spine, not like Australind
- Flowy street section
- Big boostable bowl
- A good box without coping
- Flow humps definitely
- I watch all the kids go to hogs breath to get water so a water fountain would be good
- In the last week I have seen two fights, maybe some cameras as a deterrent
- Kwinana, Bussleton and Fremantle skateparks are amazing
- If bowls and quarter pipes could link up and flow throughout the park that would be awesome
- 10 foot bowl

POPULAR ELEMENTS

Commonly requested skate items (sized by popularity):

BOWL

HIP QUARTERPIPE

A - FRAME

STAIR / HUBBA / RAIL

VOLCANO

TACO

DESIGN DIRECTION

Based on the feedback from the community consultation, site constraints and proposed construction budget, Skate Sculpture propose to design the Eaton Skatepark with four key areas.

Skate Plaza: The skate plaza will run parallel to Council Drive and form the entrance to the skatepark. The plaza will include popular skate elements identified during the consultation such as stairs, ledges and rails. Between the plaza and the footpath, a feature planting strip is recommended to act as a drainage swale and a soften the interface with the street.

Bowl: The bowl is situated in the North - East corner. This was the most requested skate element during the consultation. The entire upper platform will be raised 1.1m from ground level and the bottom of the bowl will be 0.8m below ground level allowing for a 1.9m deep bowl. The bowl will be surrounded by multidirectional seating nodes, allowing people to watch both the skating and football games. Where the bowl platform interfaces the oval, terraced seating steps are proposed across the level change.

Flow Zone: South of the Bowl, sharing the same platform as the bowl will be a flow zone. This will allow several riders to ride simultaneously and will contain some of the most requested transition items including tacos, wave ramps, volcanos and hipped quarter pipes and extensions.

Pump Track: A small pump track was frequently requested to add to the all-ages appeal of the design. It was identified during the consultation that there was a need for younger kids to have an area that was separate to the main skatepark to prevent conflict with the older, more experienced users.

Infrastructure: Based on community response and the need to create a comfortable, creative and accommodating space for all community members, sufficient lighting is proposed to allow for evening use of the skatepark. Two shaded seating areas are proposed at either end of the raised platform, additional seating is to be creatively integrated throughout the facility and one drink fountain will be included within the skate area.

Signature Item: Ideas suggested to inspire a signature skate item within the Eaton Skatepark include the Collie River, Pelicans, Wedge Tail Eagles and Kangaroos. The Kangaroo was suggested multiple times in homage to local sporting team The Eaton Boomers. These ideas will be further explored in the second community consultation.

(Appendix ORD: 12.2)

CONCEPT DESIGN

(Appendix ORD: 12.2)

SKATE FEATURE REFERENCE

01 - STREET PLAZA STYLE TERRAIN
02 - SHALLOW CLOSED BOWL / MINIRAMP
03 - FLOW TERRAIN

LANDSCAPE NOTES

A - SHADE STRUCTURES AND BENCH SEATING
B - GRASS VIEWING MOUND (TYP 1:6)
C - ENTRY POINT
D - TERRACE WALL AND PEDESTRIAN LINK
E - LINK TO PATH NETWORK OR FUTURE PUMP TRACK ZONE
F - FEATURE PLANTING STRIP FOR DRAINAGE SWALE AND SOFTEN
STREET INTERFACE
G - ACCESS RAMP TO UPPER ZONES
H - BENCH SEATING
I - BINS
J - DRINK FOUNTAIN
○ LIGHTING

CONCEPT PLAN 1:100@A1

CAR PARK
(FOOTBALL CLUB OPPOSITE)

SHALLOW BOWL
STREET ZONE
LARGE FLOW BOWL
SPECTATOR MOUND
PEDESTRIAN LINK
PLAYGROUND
FUTURE PUMP TRACK

CONTEXT PLAN 1:500@A1

EATON SKATEPARK
PRELIMINARY CONCEPT - MAY 2019

COMMUNITY WORKSHOP TWO

Skate Sculpture presented to the Eaton Skatepark Working Group on May 22nd 2019, outlining how the community data collected during the first workshop shaped the draft concept design, and how the design would work within the site.

The design team at Skate Sculpture proposed keeping the skatepark contained between the playground and car park, designating the elongated space between the playground and football oval for a pump track to be constructed at a future stage of the project.

Site constraints were reviewed by the Shire of Dardanup engineering department and Skate Sculpture design team, determining that raising the skatepark would mitigate any drainage issues, allowing the proposed bowls to remain within the design.

A second community workshop was held at the Eaton Softball Clubhouse on May 26th. After a presentation outlining the first workshop and concept design, the group conducted a site visit where participants could visualise how the design would work within the space. After taking a series of photos on site, the group returned to the workshop area for a brainstorming session where they discussed the various configurations and obstacles that could be incorporated within the street plaza area.

The participants then conducted a review of flow bowls from around the world, serving as a source of inspiration for finalising the elements within the Eaton Flow Bowl design. Suggestions included hips, extensions, a taco and central feature that would allow riders to perform aerial tricks. With the flow bowl of varying heights from 5-8.5 feet, the group determined that the junior bowl should be approximately 4 foot in height, accommodating beginner skill level. The session was finalised by a discussion on heights and spacings of all objects, as well as placement of seating, drink fountains and shade elements.

Skate Sculpture then updated the concept design to include the suggestions from workshop two, which was presented to the Eaton Skatepark Working Group on June 25th. The Working Ground were satisfied that the design was a reflection of in-depth community consultation, would work within the proposed site and could be achieved at the proposed budget, making it ready for public presentation.

COMMUNITY WORKSHOP THREE: DESIGN UNVEILING

The first look design unveiling took place at the Eaton skatepark on Sunday June 29th 2019. The community event was promoted through social media channels, posters and a large electronic sign which was displayed at the current Eaton Skatepark. Despite cloudy weather and occasional showers, there was a strong attendance of BMX, Scooter and Skateboarders as well as parents' councillors and the local Lions Club who facilitated a sausage sizzle for the event.

Various perspectives of the design were displayed throughout the marque for everyone to review. There was also a table set up with black and white 2D printouts of the design for people to make notes and suggest changes to the design. However, no suggestions for changes were made with the community celebrating the designs in which they played a vital role in creating.

Many positive comments included the designs appeal to skate, scooter and BMX riders, and how the design catered to all different skill levels. The flow bowl received great reviews with Eaton residents commenting that there is currently no other bowl like it in the South West, and discussing it's potential to attract many visitors and events to the area.

Skate Sculpture staff took a series of photos of community members posing with the designs, many of whom had attended that past workshops. By involving the skatepark users through the entire design process allows them to have a sense of ownership over the project which will have longterm benefits for the skatepark. Cameras also captured people's thoughts on the deigns in a series of vox-pops, as well as Councillor Patricia Perks, local dad and BMX rider 'Danks' and Mat de Koning from Skate Sculpture being formally interviewed about the project for a documentary being produced in support of the future Eaton Skatepark. .

FINAL CONCEPT DESIGN
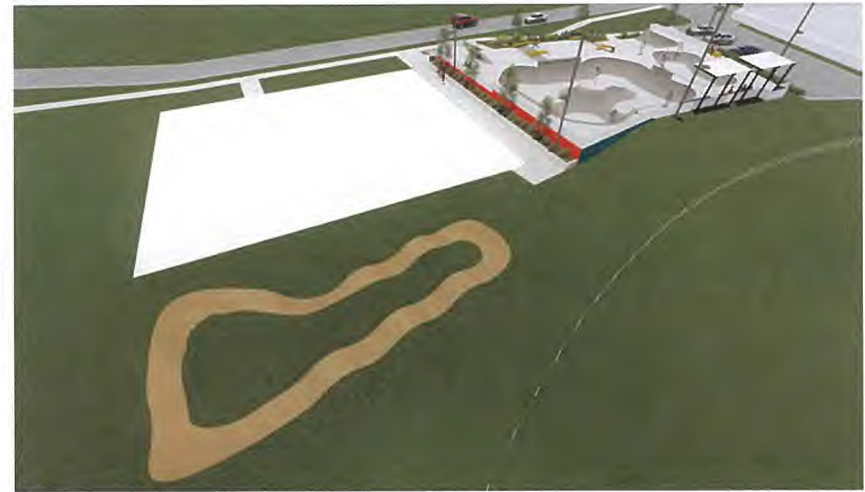
PRICING SCHEDULE

Skate Sculpture have produced the following preliminary cost allocation to outline how the proposed budget would be allocated during the detailed design and costruction stage. This includes a detailed skatepark breakdown on the following page.

EATON SKATEPARK / LANDSCAP / PUMPTRACK - PRELIMINARY COST ALLOCATION					
	AREA	RATE	COST ALLOCATION		
BALUSTRADES			$20,000.00	PROVISIONAL SUM	
DRINK FOUNTAIN (X1)			$6,000.00		
SHADE STRUCTURES (X2) + CONCRETE BASE			$24,000.00		
LANDSCAPE WALLS			$50,000.00	PROVISIONAL SUM	
CONCRETE PATH CONNECTIONS (EXCLUDES SIDEWALK)	185	60	$11,100.00		
LIGHTING & CCTV			$80,000.00		
BIN ENCLOSURES (X2)			$6,000.00		
TREES (IN PLANTING)			$20,000.00	PROVISIONAL SUM	
PLANTING (+ SOIL + MULCH + IRRIGATION)	230	35	$8,050.00		
IRRIGATION CONNECTION			$3,500.00		
SKATEPARK HARD SURFACE			$654,625.00		
DETAILED DESIGN			$60,000.00		
TOTAL			$943,275.00		
6% REGIONAL ALLOUNACE			$56,596.50		
TOTAL (INC REGIONAL ALLOWANCE)			$999,871.50		
PUMP TRACK			$50,000.00		
TOTAL INCLUDING PUMP TRACK			$1,049,871.50		

DETAILED SKATEPARK BREAKDOWN	
FLATS	$82,347.20
BANKS	$71,500
TRANSITION	$176,298
LEDGES	$58,440
STAIRS	$10,528
PRELIMS ADMIN AND OHS	$102,967.91
SITE WORKS	$51,747.71
EARTH WORKS	$11,350.37
BASE MATERIAL	$19,569.60
DRAINAGE	$8,920
HARDNER / DENSIFIER	$14,206.58
EDGE WALLS	$42,750
STEEL RAILS	
TOTAL SKATEPARK COST	**$654,625.37**
TOTAL SKATEPARK AREA 991m2 = $660 m2	

VERSION CONTROL

Title	Eaton Skatepark Consultation and Concept Design Report			
Description	Report documentation on process and outcomes of the Eaton Skatepark Concept Design			
Created By	Skate Sculpture			
Date Created	30/6/19			
Maintained By	Mat de Koning - matdekoning@skatesculpture.com.au			
Version Number	Modified By	Modifications Made	Date Modified	Status
V.2	Mat de Koning	Executive Summary & Version Control Table	10/7/19	July Council Submission

(Appendix ORD: 12.4)

POLICY NO:-	
CP044 – DONATIONS AND GRANTS	

Shire of Dardanup

GOVERNANCE INFORMATION			
Procedure Link:	NA	Administrative Policy Link:	NA

ADMINISTRATION INFORMATION						
History:			OCM:	Res:	**Synopsis:**	Policy created.
	1	DEV10	OCM: 10/05/12 Res:		**Synopsis:**	Reviewed Policy Adopted
Version:	3	CP044	SCM 26/07/18 Res: 251-18		**Synopsis:**	Reviewed and Adopted by Council

1. RESPONSIBLE DIRECTORATE

Corporate & Community Services

2. PURPOSE AND OBJECTIVES

Provide positive financial support to not for profit community groups/organisations, educational institutions and individuals to assist with the development of their chosen interest and events within the Shire of Dardanup.

Provide financial support to such requests that meet the policy criteria (subject to budget constraints) and promote the Shire of Dardanup as a positive, supportive and caring community organisation.

There are four (4) categories that financial support can fall into.

- Educational
- Community Groups/Organisations – Shire of Dardanup
- Personal Development
- Minor Community Event Assistance

3. POLICY

The policy sets out the criteria for each category of financial support available.

Educational:

The Shire of Dardanup will make an annual donation for a Citizenship Award to all schools located in the Shire of Dardanup, and also to the Australind Senior High School on the following basis:

Primary Schools: Awards to the value (as adopted in the annual budget)
Middle and High Schools: Awards to the value (as adopted in the annual budget)

An allowance for these funds will be included in the draft budget, and notification will be forwarded to the schools via a formal letter upon adoption of the budget.

Community Groups/Organisations – Shire of Dardanup

The Shire of Dardanup will make an allocation of funds in its budget to be used to provide financial assistance to Not for Profit Community Groups/Organisations that can demonstrate an association with the Shire of Dardanup. Funding to Community Groups/Organisations fall into two categories: -

1. *Minor Community Grants*
    Funding of less than $1,000 with no matching funds required from applicant.

2. *Community Grants*
    Funding between $1,000-$5,000 with a 50:50 matching component where applicants must contribute at least 50% of total project cost from either the applicant organisation or confirmed other funding sources. Evidence of other funding sources must be provided.

Funding for Not for Profit Community Groups/Organisations will be made bi-annually. Calls for submissions will be advertised in the South West Times in January and July each year.

Examples of Not for Profit groups are: - Sporting, CWA, P & C's, art/cultural groups or Shire of Dardanup local interest groups.

Personal Development

The Shire of Dardanup will make an allocation of funds in its budget to be used to help promote the personal development (non-professional) of individuals that reside within the Shire of Dardanup. E.g. music, sports, arts, science, cultural or academic.

All applications for financial assistance for Personal Development must meet the application criteria for Personal Development.

All applications for financial assistance for Personal Development shall be made on the "Application for Financial Assistance" application Form.

This financial assistance is limited to:

- $400 for State/National representation.

- Should the Personal Development budget be exceeded any other applications received will be approved at the discretion of the Chief Executive Officer and will be assessed on an individual basis.

An allowance for these funds will be included in the draft budget.

The Chief Executive Officer be delegated authority to make payments for Personal Development in accordance with the Donations and Grants Policy.

Minor Community Event Assistance

The Shire of Dardanup values and supports community events. Community groups and individuals conducting community based events that in some way benefits the community, may be eligible for a donation from the Shire to assist the organiser in ensuring a free, quality and well organised event can be delivered.

The Shire of Dardanup will make an allocation of funds in its budget to be used to provide financial assistance to Community Groups/Organisations that can demonstrate the capacity to run events within the Shire of Dardanup (Bunbury Geographe).

Requests towards a specific cost to the organiser for the delivery of the event could include a partial or entire amount towards the cost of one or more of the following items:

- Promotion and Advertising
- Traffic Management
- Waste Management (bins)
- Security
- Portable toilets
- Event Furniture/Equipment Hire/Stage Hire/Sound/Lighting Equipment Hire
- Venue Hire Fees
- First Aid

5. **PROCEDURE**

5.1 Assessment

Groups registered for GST will have their grant grossed up by 10%.

Applications need to demonstrate the benefits to the community and or individual.

(Appendix ORD: 12.4)

Applications for Minor and Community Grants will be assessed by the Manager Community Services and referred to the Corporate & Community Services Committee for determination.

Applications for Educational and Personal Development funding will be assessed by the Chief Executive Officer under the delegation of Council.

Preference will be given to projects with demonstrated community support.

Whilst applications will be based on their merits, priority will be given to those applications from organisations/clubs that have not previously received funding.

All applicants will be notified in writing of the outcome of their application for Shire of Dardanup assistance.

Decisions regarding funding applications are final and will not be reconsidered in that funding round.

5.2   Funding will not be provided for: -

- Deficit funding – for organisations that are experiencing a shortfall in cash or revenue or anticipated revenue;
- Team uniforms.
- Consumables (including food and beverages)
- Minor equipment (football, netballs, hockey sticks)
- Recurrent salaries and recurrent operational costs
- Applications for completed projects or equipment already purchased.
- Projects which are the responsibility of other Government agencies.

5.3   Application Criteria - Educational

No application form is required to be submitted, however a written request is required.

The Chief Executive Officer be delegated the authority to make payments in accordance with the Donations and Grants Policy.

5.4   Application Criteria - Community Groups/Organisations

- The applicant organisation must be based within the Shire of Dardanup, or the majority of members of the application organisation may be residents of the Shire of Dardanup.

- All applications for financial assistance must be submitted on the Shire of Dardanup "Application for Community Grant or Personal Development Grant" form (Form 115).

- The applicant should submit documented estimates of expenditure as part of the application.

- All applications must be received by the designated closure date. No late applications will be considered.

- For *Community Grants* the applicant's and other contributions to the proposed project may come from one or more of the following sources:

    o   Applicant organisation's cash;
    o   State or Federal Government funding agencies;
    o   Donations of materials and/or cash; or
    o   Voluntary labour (max. 1/3 of total project cost).
    o   Voluntary labour cost to be calculated at a maximum of $25 per hour.

- Only one (1) application per group/organisation for financial assistance for a *Community Grant* per financial year will be considered. *(In exceptional circumstances and only at the discretion of the Chief Executive Officer a second request may be presented to Council for consideration).*

- Community Groups/Organisations may apply for *Minor Grants* in each of the funding rounds, however, each grant must be for a separate project. *(Where a group/organisation applies for more than one Minor Grant they must prioritise their applications).*

- The proposed project must be acquitted within 12 months of funding being made available.

- Prior approval must be sought for any substantial changes to an application.

- A Project financial report and supporting documentation of your total expenditure must be submitted to the Shire of Dardanup, on the "Grant Acquittal – Form 116" provided, within one month of the completion of the project.

- If satisfactory acquittal is not submitted no further grants will be made available to the group.

- Once an allocated budget has been utilised, no further requests for funding will be considered until the next funding round.

The Chief Executive Officer be delegated the authority to make payments in accordance with the Donations and Grants Policy.

5.5   Application Criteria – Personal Development

- All applicants seeking financial assistance should reside within the Shire of Dardanup.

- All applications for financial assistance must be submitted on the Shire of Dardanup "Application for Community Grant or Personal Development Grant" form.

- To be eligible for the $400 for State or National representation, a letter from the governing body advising of the applicant's selection must accompany the application form.

- The applicant should submit documented estimates of expenditure as part of the application.

- Approval for all applications for financial assistance will be at the discretion of the Chief Executive Officer.

- The proposed development/representation must take place within 6 months of funding being made available.

- Prior approval must be sought for any substantial change to the assistance request.

- Acquittal form including a feedback report must be submitted to the Shire of Dardanup, on the form provided, within one month of the completion of the development/representation.

- Only one (1) application by an individual, for financial assistance per financial year will be considered.

COUNCIL POLICY NO:-
CP124 – SUPERANNUATION

Shire of Dardanup

GOVERNANCE INFORMATION			
Procedure Link:	NA	**Administrative Policy Link:**	NA

ADMINISTRATION INFORMATION					
Version:		New	OCM 26/07/2018 Res: 251-18	**Synopsis:**	Policy created.
Version:					

1. RESPONSIBLE DIRECTORATE

Corporate & Community Services

2. PURPOSE OR OBJECTIVE

This Policy has been created to establish Council's criteria for the payment of additional superannuation to staff.

This policy aims to:
- Provide a clear and consistent approach to the payment of the Superannuation Guarantee Charge (SGC) and voluntary Council superannuation payments;
- Ensure compliance with the SGC Act; and
- Provide employment remuneration benefits that assist in the attraction and retention of staff.

3. REFERENCE DOCUMENTS

Superannuation Guarantee Charge Act 1992,
Superannuation Guarantee (Administration) Act 1992.

4. POLICY

4.1 Background

The Shire of Dardanup is obliged to pay superannuation into a complying fund on behalf of all staff under the provisions of Federal legislation. This component is known as the Superannuation Guarantee Charge (SGC). The percentage payment may be adjusted by legislation from time to time.

The Shire of Dardanup and employees may also make additional voluntary contributions to a complying fund.

4.2 Policy Statement

a) Where an employee makes a voluntary superannuation contribution, Council will contribute a matching amount into the Local Government Superannuation Scheme (or equivalent complying Superannuation Fund) as outlines below.

b) The Council contribution will be paid in addition to the statutory SGC and is subject to the following conditions:

   i.) Existing employees contributing 3% voluntary contribution will receive a matching Council contribution of 3%.

c) Council shall permit employees to salary sacrifice or make non-concessional superannuation contributions as part of structured salary agreements, and will contribute based on the gross salary prior to the sacrifice.

d) The application of this Policy is to be considered in conjunction with the associated legislation, employment contracts, awards and agreements, and applies to all current and future Council employees.

(Appendix ORD: 12.8A)

SHIRE OF DARDANUP

MINUTES OF THE SHIRE OF DARDANUP AUDIT COMMITTEE MEETING HELD ON WEDNESDAY 17 JULY 2019, AT SHIRE OF DARDANUP – EATON ADMINISTRATION CENTRE, COMMENCING AT 2.00PM.

1	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Chairperson, Cr. P S Robinson declared the meeting open at 2.00pm, welcomed those in attendance and referred to the Acknowledgement of Country; Emergency Procedures, the Disclaimer and Affirmation of Civic Duty and Responsibility on behalf of Councillors and Officers:

Acknowledgement of Country

The Shire of Dardanup wishes to acknowledge that this meeting is being held on the traditional lands of the Noongar people. In doing this, we recognise and respect their continuing culture and the contribution they make to the life of this region by recognising the strength, resilience and capacity of Wardandi people in this land.

Affirmation of Civic Duty and Responsibility

Councillors and Officers of the Shire of Dardanup collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the Shire's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.

Committee members acknowledge that only the Chief Executive Officer or a member of the Shire of Dardanup staff appointed by the Chief Executive Officer is to have contact with consultants and suppliers that are appointed under contract to undertake the development and implementation of projects.

The exception to this Policy is when there is a meeting of the committee or working group with the consultant and the Chief Executive Officer or the Chief Executive Officer's representative is present.

Members of committees acknowledge that a breach of this Policy may result in a request to Council to have them removed from the committee.

Emergency Procedure

In the event of an emergency, please follow the instructions of the Chairperson who will direct you to the safest exit route. Once outside, please proceed to the Assembly Area points located to the western side of the front office car park near the skate park and gazebo where we will meet (and complete a roll call).

(Appendix ORD: 12.8A)

2.	**RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED**	

2.1   *Attendance*

Voting

Cr. Peter Robinson	-	Elected Member - Chairperson
Cr. Michael Bennett	-	Shire President
Cr. Janice Dow	-	Elected Member – Deputy Chairperson
Cr. Tyrrell Gardiner	-	Elected Member
Cr. James Lee	-	Elected Member [2.08pm]

Non-voting

Mr André Schönfeldt	-	Chief Executive Officer
Mr Phil Anastasakis	-	Deputy Chief Executive Officer
Ms Cathy Lee		Manager Governance & HR
Mrs Natalie Hopkins	-	Manager Financial Services
Mrs Cindy Barbetti	-	Compliance Officer
Mrs Donna Bailye	-	PA – Deputy Chief Executive Officer

2.2   *Apologies*

None.

3.	**PETITIONS/DEPUTATIONS/PRESENTATIONS**

3.1   *Risk Management Presentation*

Mrs Cindy Barbetti provided a powerpoint presentation to the Committee, which provided an overview of the Risk Management and Framework.

Note: Cr James Lee joined the meeting at 2.08pm.

Mr Phil Anastasakis provided an overview to the Committee of the ongoing management and reporting process.

(Appendix ORD: 12.8A)

4.   CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1   *Audit Committee Meeting Held 6 March 2019*

**OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION**

AUD 05-19   MOVED -   Cr. M T Bennett   SECONDED -   Cr. T Gardiner

THAT the Minutes of the Audit Committee Meeting held on 6 March 2019, be confirmed as true and correct subject to no corrections.

CARRIED
5/0

5.   ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED

None.

6.   QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

None.

7.   DECLARATION OF INTEREST

Discussion:

Chairperson, Cr. P Robinson asked Councillors and staff if there were any Declarations of Interest to be made.

There were no Declarations of Interest made

(Appendix ORD: 12.8A)

8.	**REPORTS OF OFFICERS**

8.1   *Title: Update on the Implementation of the Reg. 17 Review Actions*

                Reporting Department: Corporate & Community Services

                Reporting Officer: Mr Phil Anastasakis – Deputy CEO

                                             Mrs Cindy Barbetti - Compliance Officer

                Legislation: Local Government Act 1995 and Local Government (Audit) Regulations

Overview

This report provides the Audit Committee with an update on the implementation of the Regulation 17 Review Actions.

Background

Regulation 17 of the Local Government (Audit) Regulations 1996 requires the Chief Executive Officer to review the appropriateness and effectiveness of a Local Government's systems and procedures at least once in every three (previously two) years and report to the Audit Committee the results of that review.

This review was undertaken by AMD Chartered Accountants and the report along with the CEO's and management's comments were presented to the Audit Committee meeting held on the 13 December 2017.

At the Audit Committee Meeting and subsequent Council meeting, the following was resolved [334-17]:

> *THAT Council:*
>
> 1.   *Receives the Chief Executive Officer and Director Corporate & Community Services' Report that incorporates the review and findings of AMD Chartered Accountants (dated 17 November 2017) on the Local Government systems and procedures under Regulation 17 of the Local Government (Audit) Regulations 1996.*
>
> 2.   *Request that the Chief Executive Officer provide an update of the actions required from the findings of the Regulation 17 Audit to each future Audit Committee meeting.*

This report is provided to the Audit Committee meeting as an update by management on the implementation of the report findings and recommendations.

Legal Implications   -   None.

Local Government Act 1995
Local Government (Audit) Regulations 1996 (as Amended):

> *Reg 17.   CEO to review certain systems and procedures*
>
> *(1)   The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
>
> > *(a)   risk management; and*
> >
> > *(b)   internal control; and*
> >
> > *(c)   legislative compliance.*

(2)   The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

(3)   The CEO is to report to the audit committee the results of that review.

The Shire's Risk Management Policy AP023 guides the approach to Strategic Risk Management.

Strategic Community Plan

Strategy 1.1.2- Monitor and ensure compliance with the regulatory framework for local government governance and operations. (Service Priority: High)

Strategy 1.1.3- Maintain best practice governance systems and practices. (Service Priority: Moderate)

Strategy 1.3.6 - Establish a Risk Management Governance Framework for the Shire of Dardanup. (Service Priority: High)

Environment   -   None.

Precedents

The previous (and first) review was performed internally by Shire of Dardanup staff and presented by the Chief Executive Officer to the Audit Committee on 26 November 2014. The scope of the previous review included all 3 areas of (a) Risk Management; (b) Internal Controls; and (c) Legislative Compliance.

An update report on the Regulation 17 Review Actions was presented to the previous Audit Committee meeting on the 6 March 2019.

Budget Implications

The annual budget provides sufficient expenditure allocation for consultancies to cover the cost of the next review report due in September 2020.

Budget – Whole of Life Cost

As no assets/infrastructure are being created, there are no whole of life costs relevant to this item.

Council Policy Compliance

The review of the Regulation 17 requirements complies with Council Risk Management Policy. The Regulation 17 review is a precursor for a complete review of the Shire of Dardanup Risk Management Framework policies and procedures.

Risk Assessment   -   Low.

The Regulation 17 review is designed to reduce and minimise risk. As the review has been completed by an independent professional third party recognised accounting firm the Risk Assessment for this report is low.

Officer Comment

Local Government (Audit) Regulation 17 is a relatively new regulation requiring the Chief Executive Officer to review the appropriateness and effectiveness of a Local Government's systems and procedures in relation to:

(a)   risk management;

(Appendix ORD: 12.8A)

     (b)   internal control; and
     (c)   legislative compliance.

The review is to be undertaken at least every three (previously two) years as required by Regulation 17 (2) which was gazetted in February 2013.

The Chief Executive Officer is to report to the Audit Committee the results of a review. The Audit Committee under Regulation 16(c) is to review the report and report to Council the results of the review.

A Terms of Reference was developed to define the scope of the review. This Terms of Reference was based on previous reviews and the Local Government Operational Guidelines No.9 – *Audit in Local Government.*

AMD Chartered Accountants were appointed in September 2017 to undertake the review and attended the 13 December 2017 Audit Committee meeting to present and discuss their report.

Listed below are the Findings noted in the Regulation 17 Review Report, and an update on the implementation of recommended actions:

- *Summary Table*

1. Risk Management	Original Proposed Completion Date	Revised Completion Date	Status
1.1 – Risk Management Framework	30/6/2018	30/6/2019	Completed
1.2 – Business Continuity Plan	1/11/2017		Completed
1.3 – Projects and Procurement	30/6/2018	30/6/2019	Completed
1.4 – Emergency Risk Management	30/6/2018		Completed
1.5 – Risk Management Policies and Procedures	30/6/2018	26/7/2018	Completed
1.6 – Outdated Policies	30/6/2018	26/7/2018	Completed
2. Internal Controls	**Original Proposed Completion Date**	**Revised Completion Date**	**Status**
2.1 – Information Technology	31/12/2017	30/6/2019	Completed
2.2 – Independent Review	31/12/2017		Completed
2.3 – Signature Specimen	31/12/2017		Completed
2.4 – Financial Management Systems Review	30/6/2018		Completed
3. Legislative Compliance	**Original Proposed Completion Date**	**Revised Completion Date**	**Status**
3.1 – Tender Register	31/12/2017		Completed
3.2 – Compliance Calendar	30/6/2018	30/6/2019	Completed
3.3 – Audit Committee	30/6/2018		Completed
3.4 – Internal Audit	30/6/2018		Completed
3.5 – Petty Cash	31/12/2017	26/7/2018	Completed

(Appendix ORD: 12.8A)

1.	RISK MANAGEMENT
1.1	RISK MANAGEMENT FRAMEWORK

Auditor Recommendation:

We recommend the Shire develop an organisational risk register. This should include conducting a comprehensive risk identification process to identify potential Shire risks within each business unit and incorporates the following categories:

- Operational;
- Strategic;
- Finance;
- Technological; and
- Compliance risks.

The risk register should identify the risk, analyse the risk by determining the likelihood, consequence and current controls in respect to each identified risk; evaluate the risk by deciding whether the risk is to be treated/controlled, reassessed or accepted and determine the action to be taken to treat or control each risk.

The risk register should also be monitored and reviewed on a regular basis to ensure up to date and integrates with existing Shire's Risk Management Framework policies and procedures.

Furthermore, once the organisational risk register is developed, we recommend this register is tabled at the Audit Committee meeting and subsequent Council meetings on a periodic basis.

- *Officer Comment*

In March 2019, Local Government Insurance Services (LGIS) conducted two workshops attended by Senior Staff to set the Council's methodology in identifying, assessing, managing, reporting and monitoring risks. This workshop supported the foundations of the Risk Management Framework and Council's Risk Management Policy AP023 in accordance with Australian Standard AS/NZS ISO 31000:2018 Risk Management – Guidelines.

LGIS also conducted a one hour Councillor briefing session to provide our elected members with an overview of the Risk Management Framework. The LGIS facilitator highlighted that the Council recognises that risk is inherent in all of its operations and that effective management of risk is necessary in order to protect its people, assets, liabilities and community against potential losses and negative consequences.

The Shire of Dardanup is committed to monitoring and reviewing the Framework on a regular basis to ensure it is meeting requirements and that it is integrated with the Risk Management policies and procedures. This function will be undertaken by the Compliance Officer where a Risk Report (Dashboard) will be produced every quarter to Senior Managers and every six months to the Audit Committee.

An update on the Risk Management Framework is presented in *Item 8.3 Risk Management Framework Update* of this Agenda and provided for in (Appendix: AUD:8.3B).

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	30 June 2019
Status	
Action completed.	

(Appendix ORD: 12.8A)

1.2   BUSINESS CONTINUITY PLAN

Auditor Recommendation:

We recommend the Shire finalise their incident management and business continuity plan.   In addition, we recommend the incident management and business continuity plan is tested on a regular basis to ensure that in the event of a disaster, appropriate action(s) can be taken.

- *Officer Comment*

This action was completed 1 November 2017 and presented to the Audit Committee at the March 2018 meeting.

Responsible Officer	Proposed Completion Date
Coordinator Emergency & Ranger Services	1 November 2017
Status	
Action completed.	

1.3   PROJECTS AND PROCUREMENT

Auditor Recommendation:

We suggest the Shire further enhance the already robust procurement process by developing and implementing the following:

- Documented comprehensive project / tender risk assessment and reporting process for all major projects and tenders. Determine instances/thresholds where a risk assessment is to be conducted for those tenders / projects that are deemed high risk to the Shire (i.e. monetary value, reputational impact, culturally sensitive etc.); and

- Formal post tender review process, identifying both positive and negative findings with a view of continuous improvement of the tender / quotation process the Shire has in place.

- *Officer Comment*

A review and update of Council's Procurement Policy CP034 (adopted OCM 13 February 2019) and Procurement Procedure PR045 has introduced increased project planning and risk assessment for major items of expenditure.

As part of the Risk Management workshop that was held in March 2019, Senior Staff were required to identify and rate key controls concerned with the themes "Supplier/Contract Management" and "Project/Change Management". Both of these themes are pertinent to the risk assessment to be undertaken for tenders/projects that are deemed high risk to the Shire.

The Procurement Officer has established a comprehensive Template Procurement Plan which is tailored for any purchase over $50,000. This plan is deployed for Request for Quotes (RFQ), Request for Tenders (RFT) and Expressions of Interest (EOI). Incorporated in this plan is a potential risk and mitigation section that aligns to the Risk Management Framework and its supporting risk tables and matrix.

A post tender review table has been incorporated in the relevant tender case which will identify both positive and negative findings from successful tenders. At the Risk Management workshop, Senior Staff identified the need to standardise a formal structure for all projects (from conception to completion) and this action is scheduled for completion in March 2020. The post tender review process will be further captured in this structure and will continually evolve and gain strength.

(Appendix ORD: 12.8A)

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	30 June 2019
Status	
Action completed.	

1.4   EMERGENCY RISK MANAGEMENT

Auditor Recommendation:

We recommend a bushfire recovery plan be prepared and adopted by Council. Once the plan has been adopted and implemented the plan should be monitored on a regular basis including testing the appropriate sections of the plan to ensure that in the event of a disaster, appropriate actions can be taken.

- *Officer Comment*

This action was completed 1 November 2017 and presented to the Audit Committee at the March 2018 meeting.

Responsible Officer	Proposed Completion Date
Coordinator Emergency & Ranger Services	30 June 2018
Status	
Action completed.	

1.5   RISK MANAGEMENT POLICIES AND PROCEDURES

Auditor Recommendation:

We recommend a litigation/claims and fraud/misconduct policy be prepared and adopted by the Shire.

- *Officer Comment*

This action was completed 26 July 2018 and presented to the Audit Committee at the December 2018 meeting.

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	26 July 2018
Status	
Action completed.	

1.6   OUTDATED POLICIES

Auditor Recommendation:

We recommend the code of conduct be reviewed and the next required review date be specified.

Furthermore, we recommend all policies be reviewed in accordance with their stated review dates.

- *Officer Comment*

This action was completed 26 July 2018 and presented to the Audit Committee at the December 2018 meeting.

(Appendix ORD: 12.8A)

Following the completion of this task as part of the Regulation 17 Review, the Code of Conduct was again identified under the Financial Management System Review that was undertaken by AMD Chartered Accountants in February 2019. An update on the Code of Conduct is presented in *Item 8.2 Update on the Financial Management Systems Review* of the Agenda

Responsible Officer	Proposed Completion Date
Manager Governance & HR	26 July 2018
Status	
Action completed.	

2.	INTERNAL CONTROLS
2.1	INFORMATION TECHNOLOGY

Auditor Recommendation:

We recommend the following:

1.   Customer service operators use their own unique username and password.

• *Officer Comment*

This action was completed 30 June 2018 and presented to the Audit Committee at the July 2018 meeting.

2.   Employee access to Shire of Dardanup systems be suspended when an employee is on extended leave.

• *Officer Comment*

This action was completed 30 June 2018 and presented to the Audit Committee at the July 2018 meeting.

3.   Formal KPI's be implemented in respect of IT.

• *Officer Comment*

Formal KPI's have been identified to address ICT on outstanding matters. This provides strategic direction to Information Services and for the organisation overall.

The MIS Department recently translated the Strategic Community Plan 2018 (SCP) into a draft Strategic ICT Business Plan for the Shire. This ICT Plan will support and assist the formal KPI's.

The recent appointment of an Acting Manager Information Services has enabled the establishment of formal KPI's to address outstanding ICT matters, as well as finalise the Strategic ICT Business Plan.

(Action Completed)

4.   A formal review of vendor performance be completed following contract completion.

• *Officer Comment*

The Procurement Officer is progressively reviewing existing service contracts and arrangements that are in place.

The approach moving forward is to align any 'new' service contracts or arrangements to the Procurement Plan. This plan captures and enforces KPI's that are agreed to. These KPI's are then transitioned to the formal contract document and monitored by the Procurement Officer. Part of this service contract or agreement monitoring involves a formal review of the vendor's performance.

(Appendix ORD: 12.8A)

For 'existing' service contracts and arrangements these are captured in a register monitored by the Procurement Officer. The intention is that before a 'renewal' of any contract or arrangement takes place, the Procurement Officer discusses the renewal or tender options available.

(Action Completed)

Responsible Officer	Proposed Completion Date
Manager Information Services	30 June 2019
Status	
Action completed.	

2.2   INDEPENDENT REVIEW

Auditor Recommendation:

We recommend the following:

1.   The Manager of Financial Services sign general journals raised as evidence of independent review, for journals raised by the Manager of Financial Services we recommend the Director of Corporate and Community Services review these journals. We understand journals are prepared in excel format and thereby electronic signatures may be required to evidence this review occurring.

* *Officer Comment*

This action was completed 31 December 2017 and presented to the Audit Committee at the March 2018 meeting.

2.   Credit card statements once signed by the cardholder be reviewed and signed by the Director Corporate and Community Services to evidence review occurring.

* *Officer Comment*

This action was completed 31 December 2017 and presented to the Audit Committee at the March 2018 meeting.

3.   End of day cash reconciliation be signed by preparer and a second employee to evidence review prior to monies being banked; and

* *Officer Comment*

This action was completed 31 December 2017 and presented to the Audit Committee at the March 2018 meeting.

4.   A periodic review (e.g. quarterly) of Synergy master file changes reports be completed.

* *Officer Comment*

This action was completed 30 June 2018 and presented to the Audit Committee at the July 2018 meeting.

Responsible Officer	Proposed Completion Date
Manager Information Services	30 June 2018
Status	
Action completed.	

(Appendix ORD: 12.8A)

2.3   SIGNATURE SPECIMEN

Auditor Recommendation:

We recommend a signature specimen be prepared and signed by all delegated authorities.

- *Officer Comment*

This action was completed 30 June 2018 and presented to the Audit Committee at the July 2018 meeting.

Responsible Officer	Proposed Completion Date
Manager Financial Services	30 June 2018
Status	
Action completed.	

2.4   FINANCIAL MANAGEMENT SYSTEMS REVIEW

Auditor Recommendation:

We recommend the above recommendations be implemented.

Management Comment

The review recommendation is noted and supported. The relevant recommendations in the FMSR are:

5 – Purchase/Expense

- Findings: The Shire's payment of accounts policy states that the Council staff shall settle accounts due and payable each fortnight. The review noted that the payment of accounts occurs every Friday. The policy and practice appear to be inconsistent.

- Recommendation: That the Shire's payment of accounts policy be amended to reflect the actual process.

6 – Purchase/Expense

- Findings – The Shire's payment of accounts policy includes the Customer Service Officer in Dardanup as a responsible officer for delegated petty cash. From their enquiry the Dardanup CSO no longer has petty cash.

- Recommendation: That the Shire's payment of accounts policy be updated accordingly.

10 – Credit Card

- Findings: In the use of the corporate credit card policy, they noted the following clause: *Failure to comply with this policy may incur disciplinary action at the discretion of the CEO.* It was noted that the CEO is the only person that has a Shire credit card.

- Recommendation: That the policy be adjusted to refer any non-compliance issues to Council.

- *Officer Comment*

These actions (5, 6 and 10) were completed 26 July 2018 and presented to the Audit Committee at the December 2018 meeting.

(Appendix ORD: 12.8A)

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	26 July 2018
Status	
Action completed.	

3. LEGISLATIVE COMPLIANCE

3.1 TENDER REGISTER

Auditor Recommendation:

The following should be included within the tender register:

- The name of any successful tenderer; and

- For each invitation to tender the amount of the consideration or a summary of the amount of the consideration sought in the tender accepted by the local government.

We also recommend:

- The name of any successful tenderer; and

- For each invitation to tender the amount of the consideration or a summary of the amount of the consideration sought in the tender accepted by the local government.

- *Officer Comment*

This action was completed 30 June 2018 and presented to the Audit Committee at the July 2018 meeting.

Responsible Officer:	Proposed Completion Date:
Director Corporate & Community Services	30 June 2018
Status:	
Action completed.	

3.2 COMPLIANCE CALENDAR

Auditor Recommendation:

We recommend consideration be given to completing and implementing a compliance manual linked to each business unit risk assessment.

We would expect the manual to be divided into each business unit section (as identified within the organisation structure) and to:

- Identify relevant legislation to that business unit (for example the Health Act 1911 or the Planning and Development Act 2005 or the Dog Act 1976);

- Identify key relevant sections within each legislation and note within the compliance manual;

- Who is responsible for ensuring controls in place to ensure compliance with each identified legislation section;

- The mechanism in place to ensure compliance, for example a policy or procedure (this component of the compliance manual would link each relevant section of legislation to a policy, procedure, person or other control).

- Regular testing of compliance, for example if the mechanism for compliance is a policy, regular review and spot checking (internal audit) of that policy; and

- Key milestone / reporting dates applicable to that legislative section and how compliance is met.

Once the compliance calendar is implemented, we recommend a standing agenda item be added to the Audit Committee / Council meeting agenda to assess the effectiveness of compliance through the review and assessment of the compliance calendar.

- *Officer Comment*

The Compliance Officer has commenced work on updating and tailoring the Compliance Manual which incorporates the Compliance Calendar.

As part of this role, the Compliance Officer will regularly report to the Audit Committee on this process. It is anticipated that the first report will be presented to the next Audit Committee meeting to be held September/October 2019.

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	30 June 2019
Status	
Action completed.	

3.3 AUDIT COMMITTEE

Auditor Recommendation:

We recommend a review of the audit committee 'Instrument of Appointment and Terms of Reference' be completed and audit committee meetings be held at least quarterly as recommended by the Department of Local Government Sport And Cultural Industries, operational guideline Number 09.

- *Officer Comment*

This action was completed and presented to the Audit Committee at the March 2018 meeting.

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	30 June 2018
Status	
Action completed.	

3.4 INTERNAL AUDIT

Auditor Recommendation:

In accordance with Department of Local Government Sport And Cultural Industries best practice operational guidelines, we recommend an internal audit function be established incorporating an internal audit program which is re-assessed annually.

(Appendix ORD: 12.8A)

Should Shire of Dardanup consider an internal audit function not be required, we suggest the Audit Committee formally document they have considered the best practice guideline and the reasons they feel it is not necessary.

- *Officer Comment*

This action was completed and presented to the Audit Committee at the March 2018 meeting.

Responsible Officer	Proposed Completion Date
Director Corporate & Community Services	30 June 2018
Status	
Action completed.	

3.5   PETTY CASH

Auditor Recommendation:

We recommend petty cash purchases do not exceed $20 and where purchases are required above this threshold they are made through the Shire's creditors system. Alternatively it may be appropriate and practical to increase the $20 threshold within the 'Payment of Accounts' policy.

- *Officer Comment*

This action was completed 26 July 2018 and presented to the Audit Committee at the December 2018 meeting.

Responsible Officer	Proposed Completion Date
Manager Financial Services	26 July 2018
Status	
Action completed.	

Voting Requirements   -   Simple Majority.

OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION

AUD 06-19   MOVED -   Cr. M T Bennett   SECONDED -   Cr. J Dow

THAT the Audit Committee:

1.   Receive the July 2019 update report on the implementation of actions required from the findings of the December 2017 Regulation 17 review of Risk Management, Internal Controls and Compliance.

2.   Requests that Council acknowledges that all tasks resulting from the December 2017 Regulation 17 Review are now completed and further reports are no longer required.

CARRIED
5/0

(Appendix ORD: 12.8A)

8.2   *Title:*   *Update on the Financial Management Systems Review Actions*

Reporting Department:	*Corporate & Community Services*
Reporting Officer:	*Mr Phil Anastasakis – Deputy Chief Executive Officer*
	Mrs Cindy Barbetti - Compliance Officer
Legislation:	*Local Government Act 1995 and Local Government (Financial Management) Regulations 1996*

Overview

This report provides the Audit Committee with an update on the implementation of the Financial Management Systems Review Actions.

Background

In accordance with regulation 5(2)(c) Local Government Financial Management Regulation 1996, the Chief Executive Officer is required to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (not less than once in every 3 financial years) and report to the Local Government the results of those reviews.

This review was undertaken by AMD Chartered Accountants in February 2019 and the report along with management comments were presented to the Audit Committee meeting held on 6 March 2019.

At the Audit Committee Meeting of the 6 March 2019 and subsequent Council meeting of 27 March 2019, the following was resolved [56-19]:

> *THAT Council receive the report from the Chief Executive Officer, incorporating the review and findings of AMD Chartered Accountants (dated 28 February 2019) on the review of the appropriateness and effectiveness of the financial management systems and procedures under Regulation 5 of the Local Government (Financial Management) Regulations 1996.*

The areas noted in the report are to be addressed in accordance with the management comments provided, and are subsequently reported and monitored through future reviews and reports.

This report is provided to the Audit Committee meeting as an update by management on the implementation of the report findings and recommendations.

Legal Implications

Local Government Act 1995
Local Government (Financial Management) Regulations 1996 (as Amended):

> *(2)   The CEO is to —*
>
>   *c)   undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

Strategic Community Plan

Strategy 1.1.2-   Monitor and ensure compliance with the regulatory framework for local government governance and operations. (Service Priority: High)

Strategy 1.1.3-   Maintain best practice governance systems and practices. (Service Priority: Moderate)

Environment   -   None.

(Appendix ORD: 12.8A)

Precedents

The previous review was undertaken by Butler Settineri in 2015 and presented to the Chief Executive Officer on 13 January 2016. The scope of the previous review was to compare the financial policies adopted by the Shire with the minimum requirements of the Local Government Act 1995 and its associated regulations and to determine the extent to which the stated policies and procedures as adopted by the Shire have been implemented by the Chief Executive Officer.

Budget Implications

The annual budget provides sufficient expenditure allocation for consultancies to cover the cost of the next review which will capture the period from January 2019 to December 2021.

Budget – Whole of Life Cost

As no assets/infrastructure is being created, there are no whole of life costs relevant to this item.

Council Policy Compliance   -   None.

Risk Assessment   -   Low.

As the Financial Management System review was completed by an independent professional third party recognised accounting firm the Risk Assessment for this report is low.

Officer Comment

The Financial Management Systems Review is to be undertaken at least once in every 3 financial years. The Chief Executive Officer is to report to the Audit Committee the results of the review. The Audit Committee under Regulation 16(c)of the Local Government (Audit) Regulations 1996 is to review the report and report to Council the results of the review.

It was considered appropriate for this review to be conducted by an external auditing firm familiar with local government functions to reinforce the transparency and independence of the process.

The scope of the review was in accordance with Regulation 5(1) of the Local Government (Financial Management) Regulations 1996 which would incorporate an assessment of the appropriateness and effectiveness of Council's financial management systems and procedures.

Quotes were obtained from two auditing firms to review the financial management systems of the Shire of Dardanup for the period from January 2016 to December 2018.

AMD Chartered Accountants (AMD) were appointed in February 2019 to undertake the review, and attended the 6 March 2019 Audit Committee meeting to present and discuss their report.

Listed below are the Findings noted in the Financial Management Systems Review Report, together with the Auditor Recommendations and Management Comment. An update on the implementation of recommended actions is also provided under the Officer Comment.

(Appendix ORD: 12.8A)

Ref	Issue	Risk Rating	Proposed Completion Date	Status
1.	**Collection of money**			
We have no recommendations to raise in respect to the collection of money and related internal controls in place.				
2.	**Custody and security of money**			
We have no recommendations to raise in respect to the custody and security of money and related internal controls in place.				
3.	**Maintenance and security of financial records**			
3.2.1	**Key Security and Register** No documented procedure in respect to access of motor vehicles machinery and building keys. Key cabinet at the Shire depot was unlocked during the onsite visit. Currently no key register is maintained at the Shire Depot.	**Moderate**	30 June 2019	Completed

3.2.1 Key Security and Register (continued)

Auditor Recommendation
We recommend:
- A documented key procedure be developed and implemented in respect to the access of motor vehicles, machinery and building keys;
- The depot key cabinet be locked and secured when not in use; and
- A depot key register be maintained to ensure an accurate record of current vehicle use.

Management Comment
Management acknowledges and accepts the recommendations. It is proposed in the near future to appoint a part-time Depot Administration Officer who will assist in the development of a key procedure and the ongoing monitoring or access and maintenance of records.

Officer Comment - Update on Action
Key Register Procedure PR116 has been implemented to provide direction for the management of 'motor vehicle and machinery' keys at the Shire Depot. A key register for the Depot has also been created to record daily vehicle use.

Keys/fobs/remotes to Depot 'building' are issued to staff in accordance with their role and are issued and managed by Governance. If a Depot staff member requires keys for 'other' Shire buildings, then the normal process of obtaining these keys is managed through the Eaton or Dardanup office key register/procedure on a case by case basis.

The depot key cabinet has been secured with a combination lock. The cabinet is locked when not in use.
Completed 21-06-2019.

Ref	Issue	Risk Rating	Proposed Completion Date	Status
4.	**Accounting for municipal or trust transactions**			
4.2.1	**FBT and BAS Independent Review** We noted the BAS and FBT returns are not signed off by the preparer and are not signed off to evidence review by someone independent of the BAS/FBT preparation process.	**Minor**	30 June 2019	Completed

Auditor Recommendation
We recommend the BAS and FBT returns be signed by the preparer and also be signed as evidence of review by someone independent of the BAS and FBT preparation process.

Management Comment
Management acknowledges and accepts the recommendation. It is noted that the BAS/FBT Returns are lodged electronically by the Manager Financial Services, with advice provided electronically to the Manager Financial Services by the Accountant as evidence of the task completion. A signed version of these documents will be produced and recorded by the Accountant (preparer) and Manager Financial Services (reviewer).

Officer Comment - Update on Action
BAS returns are now signed by the preparer (Accountant) and also independently reviewed and authorised by Manager Financial Services.
Completed 24-04-2019.

FBT returns are now signed by the preparer (Accountant) and also independently reviewed and authorised by Manager Financial Services.
Completed 21-05-2019.

(Appendix ORD: 12.8A)

Ref	Issue	Risk Rating	Proposed Completion Date	Status
4.2.2	**Fixed Asset Capitalisation and Depreciation Policy** There are no documented policies in place in respect to asset capitalisation, depreciation and the management of attractive assets.	**Minor**	30 June 2019	Completed

Auditor Recommendation
We recommend a policy be developed and implemented in respect to fixed asset capitalisation, depreciation and the management of attractive assets, to reflect current Shire operations and ensure compliance with Regulation 17A of the Local Government (Financial Management) Regulations 1996.

Management Comment
Management acknowledges and accepts the recommendation. It is proposed to develop the required new policies in the next few months.

Officer Comment - Update on Action
Council adopted CP127 Asset Capitalisation Threshold Policy at the 26 June 2019 OCM [Resolution 188-19]. This Policy has been developed using industry best practice standards.

An 'Attractive & Portable Items Assets Register' has been created to ensure that those assets with a value below $5,000 are recorded and managed, however they will have a zero value in the financial statements.

Completed 26-06-2019

As part of the Asset Management Working Group's Terms of Reference, Council Policy CP074 - Asset Management will be reviewed over the coming 12 months and incorporate depreciation rates and classes. These depreciation rates will be established to reflect the useful life of assets and estimated consumption patterns. It is also proposed to develop a new Significant Accounting Policies Policy which will be presented to Council in August 2019, which will include depreciation rates amongst other items.

Ref	Issue	Risk Rating	Proposed Completion Date	Status
5.	**Authorisation for incurring liabilities and making payments**			
5.2.1	**Changes to Creditor Master File** We note there is no standard documentation completed and subsequently approved prior to making a change to creditor details in the creditor master file.	**Significant**	30 June 2019	Completed

Auditor Recommendation
We recommend a standard form be developed to ensure there are no unauthorised or untimely changes to the creditor master files. When supplier detail changes are requested, the form should be completed and subsequently authorised by a senior employee or manager of the Shire to confirm changes in payee details are in fact correct.

Management Comment
Management acknowledges and accepts the recommendation. The proposed new Creditor Change Authorisation Form will be developed in the next few months.

Officer Comment - Update on Action
The existing creditor form (Form 14) has been amended to include an approval section by the Manager Financial Services (MFS) to endorse the modification of the creditor details.

Another element of control has also been introduced for creditor reporting. Each week a report is produced to MFS showing changes to the Creditor Master File bank details. This report is reviewed and authorised by MFS prior to the weekly file upload of creditor payments.

At the end of each month, another report is also provided to MFS which shows other changes to the Creditor Master File (ie changes to name, address etc). This report is reviewed and authorised by MFS.

Completed 14-06-2019

Ref	Issue	Risk Rating	Proposed Completion Date	Status
5.2.2	**Purchasing and Payment** We identified a number of matters for enhancement and improvement in respect to purchasing and payments.	**Significant**	30 June 2019	Completed

(Appendix ORD: 12.8A)

Ref	Issue	Risk Rating	Proposed Completion Date	Status
	Auditor Recommendation We recommend: • Purchase orders are raised and signed as evidence of authorisation for all purchases prior to the expenditure being incurred; • The EFT checklist be fully completed prior to finalising the EFT payment; and • Cash reconciliations are a key control and should be reviewed by someone independent of the reconciliation function. Reconciliations should be signed off as evidence of this review. *Management Comment* Management acknowledges and accepts the recommendation. The relevant staff associated with the Payment of Invoices will be advised to increase monitoring of compliance by staff to procurement and payment requirements. Additional focus on compliance will be undertaken by the Compliance Officer. Further staff training will occur to promote and educate all staff on the requirements of the updated Procurement Policy and procedures. *Officer Comment - Update on Action* • **Purchase Orders (PO):** Increased monitoring of Purchase Orders (PO) has been implemented. This process involves the Procurement Officer reviewing all PO's prior to Accounts Payable Officer filing the PO. This review process ensures purchase orders are compliant with Council's Procurement Policy and that the PO is raised prior to expenditure being incurred. In addition, the Procurement Officer has also undertaken team training sessions with each Council Department to ensure that Procurement Policy and process is fully understood by Authorising Officers. The training addresses compliance with legislation, internal policies and procedure and aims to promote a culture of compliance. These training sessions further strengthen to staff that the Procurement Officer is to be used as a resource for any Procurement questions or issues that may arise. *Completed 31-03-2019* • **EFT Checklist:** Accounts Payable Officer ensures that the checklist is completed prior to EFT payment finalisation. Authorised signatories independently review and authorise the weekly EFT file prior to bank file being uploaded. *Completed 29-03-2019.* • **Pettycash:** Pettycash Recoup Forms for Eaton Administration Centre, Eaton Recreation Centre and Eaton Library have been updated to include signed by preparer and authorisation by Purchasing Officer. The recoup forms are also independently reviewed by Accounts Payable Officer. *Completed 29-03-2019*			
6.	***Maintenance of payroll, stock control and costing records***			
6.2.1	**Fuel Card/Usage Policy** Currently no fuel card policy in place. *Auditor Recommendation* We recommend a fuel card policy be developed and implemented which provides guidance to staff members who are entitled to fuel cards, the terms of fuel card use and record keeping requirements. *Management Comment* Management acknowledges and accepts the recommendation. It is proposed to develop the required new policy in the next few months. *Officer Comment - Update on Action* The Fuel Card Administration Policy and Procedure has been created and was endorsed by EMT on the 1 July 2019. Staff have also implemented a proposed form that will be used by all fuel card holders to declare that they understand the guidelines and conditions imposed with holding a Shire issued fuel card. A current 'Fuel Card Register' has been developed and will be updated on a regular ongoing basis. *Completed 01-07-2019*	**Minor**	30 June 2019	Completed
6.2.2	**Loss on Private Works** Loss of $350 made on private works jobs completed for the period ended 31 December 2018. *Auditor Recommendation* We recommend the recovery of costs in respect to private works be reviewed to ensure costs incurred are on-charged to customers inclusive of a mark-up component.	**Minor**	30 June 2019	Completed

(Appendix ORD: 12.8A)

Ref	Issue	Risk Rating	Proposed Completion Date	Status
	Management Comment Management acknowledges and accepts the recommendation. The new Fees and Charges software will assist in determining the appropriate fee to charge for private works. This is anticipated to be fully implemented by the end of 2019. **Officer Comment - Update on Action** Staff have undertaken a review of best practice for the recovery of costs in respect to private works. As a result, staff have reviewed and revised procedure GOP024 to include a monthly reconciliation and reporting process to ensure that all costs incurred for private works are recouped in a timely and efficient manner. The $350 loss noted in the auditor findings was purely a timing issue (costs incurred in December 2018 and costs recouped in January 2019) and has since been recouped. *Completed 07-06-2019* The new Fees and Charges software is currently in the process of being updated by the Manager Financial Services and will be utilised in the 2019/20 financial year.			
7.	***Preparation of budgets, budget reviews, accounts and reports required by the Act or the Regulations***			
7.2.1	**Code of Conduct** The Shire Code of Conduct for Council Members, Committee Members and Staff was last reviewed and adopted by Council on the 6 November 2013.	**Minor**	31 December 2019	In Progress

	Auditor Recommendation
	We recommend the Code of Conduct be reviewed and subsequently communicated to current Council Members, Committee Members and Staff.
	
	Management Comment
	Management acknowledges and accepts the recommendation. Council staff have been working with Councillors and WALGA during 2018 to review the Code of Conduct. This was put on hold pending the finalisation of the Local Government Act review.
	
	Officer Comment – Update on Action
	The Auditor finding reported that the Code of Conduct had last been reviewed and adopted by Council on 6 November 2013. This date was the last time it went to Council in an adopted format, management have advised that the Code of Conduct has been reviewed since then.
	
	In November 2018, Council considered a full review of the Code of Conduct at a workshop held with WALGA representative and management in attendance. On advice from James McGovern from WALGA, it was agreed that the review be held off pending the review of the Local Government Act 1995.
	
	The Local Government Act review process has progressed with the presentation of a Bill to Parliament. At the time of compiling this report, the Bill has been passed by both Houses, awaiting assent. Advice received from WALGA is that the date of assent will likely be the end of July 2019. However, it is to be noted that the Code of Conduct has its own commencement clause which will be a fixed date determined by the Governor-General.
	
	Once accepted, the new Local Government Act will introduce some significant changes in the way Codes of Conduct are adopted and managed, in the following ways;
	
	    • The current Rules of Conduct Regulations will become mandatory content of a Code of Conduct, which must be adopted by all Local Governments. The Code will apply to Council Members, Committee Members and election candidates;
	
	    • Allegations of breach of a Rule will still be referred to the Local Government Standards Panel;
	
	    • A Code of Conduct can contain content in addition to the Rules of Conduct, and any allegations of a breach of Code content (i.e. not the Rules) will be dealt with by the Local Government;
	
	    • The Chief Executive Officer will be responsible for determining the Code of Conduct for employees. The Bill will also change the rules relating gifts and Chief Executive Officers will in future use the Code as a means of describing employees' responsibilities to accept and declare gifts received in association with their employment.
	
	Due to the substantial changes to the Local Government Act described above, it was therefore decided that the current Code of Conduct review be deferred until the new legislation relating to Codes of Conduct is passed.			

Council Role   -   Legislative.

(Appendix ORD: 12.8A)

Voting Requirements - Simple Majority.

OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION

AUD 07-19   MOVED -   Cr. M T Bennett   SECONDED -   Cr. T Gardiner

THAT the Audit Committee:

1.   Receive the July 2019 update report on the implementation of actions required from the findings of the February 2019 Financial Management Systems Review.

2.   Requests that Council acknowledges that all actions, except 7.2.1 Code of Conduct, have been completed

CARRIED
5/0

(Appendix ORD: 12.8A)

8.3   *Title: Risk Management Framework Update*

Reporting Department:	*Corporate & Community Services*
Reporting Officer:	*Mr Phil Anastasakis – Deputy Chief Executive Officer*
	Mrs Cindy Barbetti - Compliance Officer
Legislation:	*Local Government Act 1995 and Local Government (Audit) Regulations 1996, Regulation 17*

Overview

This report provides the Audit Committee with an update on the Shire of Dardanup Risk Management Governance Framework.

Background

Risk management is a key aspect of corporate governance and forms part of the Shire of Dardanup's Strategic Community Plan to be efficient, effective and financially sustainable.

The reference point for Council's risk management work is Administrative Policy AP023 - *Risk Management* which was adopted by Council on 25 January 2017. The activation of risk management is through the supporting Administrative Procedure PR036. It is recognised however, that improving the framework and procedures is only one aspect of sound management, and a strong risk management culture is essential.

To assist with reviewing this framework and enhancing the culture within the organisation, Council through the Audit Committee agreed to support the engagement of Local Government Insurance Services (LGIS) to conduct a Risk Management Governance Framework workshop with staff. LGIS have been pro-active in continually developing and implementing this Framework across many local governments in both a strategic and operational manner.

This commitment was finalised in March 2019 with a facilitator from LGIS conducting two workshops with Senior Staff and a one hour briefing session with Council's elected members. The outcome of the workshop was to provide staff with the skills to identify, manage and mitigate risk across the entire range of activities undertaken by the Council, and communicate to Councillors the broader objectives of the Framework and how it achieves the risk management obligations and responsibilities of Council.

A revised Risk Management Governance Framework has now been developed to connect all of the risk management processes and methodologies and to clearly articulate the Shire of Dardanup's appetite for risk. This review also ensures compliance with Local Government (Audit) Regulations 1996, Regulation 17, to review the appropriateness and effectiveness of risk management at least once every 2 calendar years.

Legal Implications

Local Government Act 1995
Local Government (Audit) Regulations 1996, Regulation 17:

> 17.   *CEO to review certain systems and procedures*
> (1)   *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
> (a)   *risk management; and*
> (b)   *internal control; and*
> (c)   *legislative compliance.*

(2)   The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and
          (c), but each of those matters is to be the subject of a review at least once every 2 calendar
          years.
(3)   The CEO is to report to the audit committee the results of that review.
[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868.]

Strategic Community Plan

Strategy 1.1.2- Monitor and ensure compliance with the regulatory framework for local government
                governance and operations. (Service Priority: High)

Strategy 1.1.3- Maintain best practice governance systems and practices. (Service Priority:
                Moderate)

Strategy 1.3.6- Establish a Risk Management Governance Framework for the Shire of Dardanup.
                (Service Priority: High)

Environment   -   None.

Precedents

Council has previously established a Risk Management Governance Framework for the organisation.

Budget Implications   -   None.

Council Policy Compliance

Council historically had Council Policy PR036 - *Risk Management* to manage risk, which was updated
on 25 January 2017 as an Administrative Policy AP023 - *Risk Management and Administrative
Procedure PR036.*

Risk Assessment   -   Low.

Officer Comment   -

The Risk Management Governance Framework introduced by the Shire of Dardanup is a complete
approach that incorporates three lines of defence. The first line of defence is operational, and requires
all staff to have a degree of accountability and responsibility for risk management processes and
controls in their operational areas.

The second line is the responsibility of the Compliance Officer who manages the framework for risk
management. This officer is responsible for monitoring and reporting on emerging risks through the
provision of a 'dashboard' report'.

Internal and External audits are the third line of defence that provides independent assurance to
Council, the Audit & Risk Committee and Council's management on the effectiveness of business
operations.

•   *How Does it Work?*

There are three components which comprise an identified Risk Assessment:

i)   *Risk Theme Profile*

In the development of the framework there were 15 distinct 'Risk Theme Profiles' identified. These themes have been designed by LGIS and refined by their work with other local governments throughout the State.

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

In theory, any activity that Council undertakes involving risk should fall into one or more of these themes. If not, it is deemed that no risk is present.

ii)   *Risk Assessment and Acceptance Criteria (Consequence)*

Six Risk Assessment and Acceptance Criteria (or Consequence) have been established. These are Health, Financial Impact, Service Interruption, Legal and Compliance, Reputational and Environment. If there is no Consequence identified it is deemed no risk is present.

The Consequence Ratings are introduced as follows:

1. Insignificant
2. Minor
3. Moderate
4. Major
5. Catastrophic

iii)   *Likelihood*

1. Rare
2. Unlikely
3. Possible
4. Likely
5. Almost Certain

When assessing Risk, the Consequence rating is combined with the Measure of Likelihood arriving at a measurable risk score, which is assessed in the Risk Matrix.

- *How is it applied?*

The Risk Management Governance Framework could be applied to every action undertaken by every officer of Council, however this is considered to be impractical and unrealistic. The other extreme is the Framework could be adopted and then not applied to any activities, which defeats the purpose of the exercise.

A balanced approach would seem appropriate with the key application of the Framework being the degree to which it is applied to the Council decision making process. This translates into including

(Appendix ORD: 12.8A)

some notation in Council reports (this process currently occurs) that the Risk Management Governance Framework has been considered in arriving at recommendations to Council.

In considering how this would be done, a three tiered approach is utilised:

- Should no discernible Risk be identified (no Risk Theme or Consequence identified) a notation to that effect to be included in the Council report. An example is Council receiving a Status Report.

- Should a Risk be determined as Moderate or Low a brief notation/commentary will state this. No treatment or action will emanate as a result of the Moderate or Low rating. This would cover many of the 'standard' reports to Council such as Accounts for Payment, Planning reports with uncomplicated legislative compliance, minor Policy updates etc.

- Reports with an identified High or Extreme Risk would include a Matrix Assessment Table. Matters with significant legal implications or complex issues such as Tenders, large contract renewals, major plant purchases or projects where there is a significant value/budget or time component involved may also be presented in this manner.

- *Reporting Requirements*

An overall 'Dashboard' report that summarises the 15 Risk Theme Profiles will be provided. Where there are current actions underway in respect of the Risk Theme Profiles these are noted.

In terms of the updated Reporting requirements proposed in the Risk Management Governance Framework document, these are proposed to be undertaken by the Compliance Officer as follows:

- Direct contact with officers on completing tasks identified in the Dashboard report;
- Dashboard report – Quarterly general update advice to Senior Officers; and
- Review of Risk Theme Profiles and Summary Risk Report to Senior Officers and Audit Committee every six months (Appendix AUD: 8.3A).

In conclusion, by operating within the approved risk appetite and framework, the Council, management and the community will have assurance that risks are managed effectively to support the delivery of the Shire of Dardanup's Strategic and Corporate Plans and objectives.

<u>*Voting Requirements*</u>   -   Simple Majority.

OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION

AUD 08-19   MOVED -   Cr. T Gardiner   SECONDED -   Cr. J Dow

THAT the Audit Committee:

1.   **Receive the July 2019 report relating to the Shire of Dardanup Risk Management Governance Framework.**

2.   **Request that Council endorse the Risk Management Governance Framework – July 2019. (Appendix AUD: 8.3B)**

3.   **Request that a summary 'Dashboard' report that summarises the 15 Risk Theme Profiles be presented biannually to the Executive Management Team and Audit & Risk Committee.**

CARRIED
5/0

(Appendix ORD: 12.8A)

8.4   *Title: Internal Audit Strategic Plan*

Reporting Department:	*Corporate & Community Services*
Reporting Officer:	*Mr Phil Anastasakis – Deputy Chief Executive Officer*
	Mrs Cindy Barbetti - Compliance Officer
Legislation:	*Local Government Act 1995 and Local Government (Audit) Regulations 1996, Regulation 17*

Overview

This report provides the Audit Committee with an overview of the Internal Audit Strategic Plan and its purpose.

Background

Internal control is a vital component of a sound governance framework. An effective and transparent internal control environment is built on many key areas that are guided, strengthened and monitored through an Internal Audit Strategic Plan. This ensures that the Shire is meeting compliance with applicable regulations and internal procedures. This in turn provides Council with a greater level of confidence in internal control practices and processes throughout Council operations.

The primary purpose of the Internal Audit Strategic Plan is to align its focus and activities on the Council's key internal risks. The Internal Audit functional planning framework consists of two key elements:

1.   An Internal Audit Strategic Plan, with a three year outlook that relates the role of the internal audit to the requirements of Council by outlining the broad direction of an internal audit over the medium term, in the context of all the Council's assurance activities; and

2.   An Internal Audit Annual Work Plan which includes an internal audit annual work schedule.

Together, these plans serve the purpose of setting out, in strategic and operational terms, the broad roles and responsibilities of Internal Audit of the Shire of Dardanup, with the aim to achieving regulatory compliance.

Legal Implications

Local Government Act 1995
Local Government (Audit) Regulations 1996

> 17.   *CEO to review certain systems and procedures*
>
> (1)   *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
>
> > (a)   *risk management; and*
> >
> > (b)   *internal control; and*
> >
> > (c)   *legislative compliance.*
>
> (2)   *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
>
> (3)   *The CEO is to report to the audit committee the results of that review.*

Local Government (Financial Management) Regulations 1996

(Appendix ORD: 12.8A)

5.   *CEO's duties as to financial management*

   (1)   Efficient systems and procedures are to be established by the CEO of a local government —

   (a)   for the proper collection of all money owing to the local government; and

   (b)   for the safe custody and security of all money collected or held by the local government; and

   (c)   for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and

   (d)   to ensure proper accounting for municipal or trust —

      (i)   revenue received or receivable; and

      (ii)   expenses paid or payable; and

      (iii)   assets and liabilities;

   and

   (e)   to ensure proper authorisation for the incurring of liabilities and the making of payments; and

   (f)   for the maintenance of payroll, stock control and costing records; and

   (g)   to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

   (2)   The CEO is to —

   (a)   ensure that the resources of the local government are effectively and efficiently managed; and

   (b)   assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and

   (c)   undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Strategic Community Plan

Strategy 1.1.3- Maintain best practice governance systems and practices. (Service Priority: Moderate)

Strategy 1.1.1- To be equitable, inclusive and transparent in decision making. (Service Priority: High)

Strategy 1.1.2- Monitor and ensure compliance with the regulatory framework for local government governance and operations. (Service Priority: High)

Environment   -   None.

Precedents   -   None.

Budget Implications   -   None.

Risk Assessment   -   Low.

The Internal Audit Strategic Plan has been developed after consideration of key risks and opportunities facing the Shire of Dardanup. The Internal Audit Strategic Plan includes audits to ensure legislative compliance, as well as ensuring the effectiveness and efficiency of controls.

Officer Comment -

Many local governments have recognised the need to improve their internal auditing processes. The Shire of Dardanup has approached this by developing an internal audit plan. This Internal Audit Strategic Plan will help the organisation achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control.

(Appendix ORD: 12.8A)

The Internal Audit program is the responsibility of the Compliance Officer. This Officer will conduct reviews based on the methodology and internal audit coverage prioritisation contained within the Internal Audit Plan and report on the outcome of this review.

At the conclusion of each internal audit a report on the outcome will be forwarded to the Deputy Chief Executive Officer. This report will outline:

- What auditing actions were taken;
- Provide recommendations for corrective action as required; and
- Monitoring and reporting on the corrective actions undertaken.

During each financial year, the Internal Audit coverage will have a different focus depending on the Council's current risk profile and assurance needs. The Internal Audit coverage is categorised into the following broad groups. The order in which these are listed is in line with the current priority given to each group based on the risk assessment.

1. *Annual Audits* to review key areas of financial, operational, and human resources across the whole Council. This group of engagements are treated as first priority audits to meet the external reporting and compliance obligation of the Council, which can include:

   a) Grant Audits;
   b) Direct assistance to external audit by performing audit or review procedures under the direction of the external auditor; such activities customarily include the following engagements:

      i) Salaries Audit;
      ii) Expenditure Audit;
      iii) Revenue Audit; and
      iv) Follow up on audit recommendations made by the external auditor.

2. *Audits Of High Risk Areas/Systems* where the controls are considered to be effective, however, independent assurance is required to ensure that the controls are in fact operating as intended.

3. *Audits That Review Particular Topics Across The Whole Council* – such as supplier selection and OHS management framework. This group of engagements are aimed at addressing systemic risks.

4. *Audits That Review Particular Processes/Activities* owned by a particular Directorate or Divisions such as gym membership; and

5. Consultancy/ad hoc advice on new systems, processes and initiatives.

The Internal Audit Annual Work Plan for 2019 – 2020 will be considered based on the broad groups above and presented to the Deputy Chief Executive Officer. There will also be a direct reporting line to the Audit Committee of the Internal Audit Annual Work Plan. This will act as an adequate safeguard in the event of a serious breakdown in internal controls and/or culture.

A copy of the Internal Audit Strategic Plan is provided for in (Appendix AUD: 8.4)

Voting Requirements   -   Simple Majority.

(Appendix ORD: 12.8A)

OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION

AUD 09-19   MOVED -   Cr. M T Bennett   SECONDED -   Cr. T Gardiner

That the Audit Committee:

1.   Receive the July 2019 report relating to the Internal Audit Strategic Plan of
          the Shire of Dardanup.

2.   Requests that Council endorse the Shire of Dardanup Internal Audit
          Strategic Plan, (Appendix AUD: 8.4) inclusive of the Internal Audit Annual
          Work Plan – 2019-2020.

                                                                          CARRIED
                                                                          5/0

(Appendix ORD: 12.8A)

8.5   *Title: 2017/18 Audit Report – Significant Findings Query*

Reporting Department: *Corporate & Community Services*

Reporting Officer: *Mr Phil Anastasakis – Deputy Chief Executive Officer*

Legislation: *Local Government Act 1995 and Local Government (Audit) Regulations 1996, Regulation 17*

Overview

This report advises the Audit Committee of correspondence received from the Department of Local Government, Sport and Cultural Industries relating to significant adverse trends in the financial position of Council for 2017/18.

Background

On the 9 July 2019 a letter was received from the Department of Local Government, Sport and Cultural Industries addressed to the Chief Executive Officer of the Shire of Dardanup (Appendix AUD:8.5A), referring to the Council's 2017/18 Audit Report from Buttler Settineri Pty Ltd.

The letter referred to the Audit Report identifying significant advere trends in the financial position, specifically the Operating Surplus Ration, Current Ratio and Debt Service Cover Ratio.

The Department have referred to Section 7.12A(4) of the *Local Government Act 1995* where a local government must prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the Local Government has taken or intends to take with respect to each of those matters; and give a copy of the report to the Minister within 3 months after the audit is received by the Local Government.

Council Officer's have contacted our Auditor's to confirm that their 2017/18 audit report did not encounter any significant issues. Written confirmation of this advice has been requested from our auditors and will be provided to the Department when it is received. Contact has also been made with the Department of Local Government, Sport and Cultural Industries to confirm that there is a misunderstanding of the audit statement, and that no signifricant adverse issues were raised.

Council Officer's are waiting for a response from the Department. In the interim this report is to advise Council's Audit Committee of the matter.

Legal Implications

Local Government Act 1995

7.12A.   Duties of local government with respect to audits

(1)   A local government is to do everything in its power to —

(a)   assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and

(b)   ensure that audits are conducted successfully and expeditiously.

(2)   Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3)   A local government must —

(aa)   examine an audit report received by the local government; and

(a)   *determine if any matters raised by the audit report, require action to be taken by the local government; and*

(b)   *ensure that appropriate action is taken in respect of those matters.*

(4)   *A local government must —*

(a)   *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*

(b)   *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*

(5)   *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.*

[Section 7.12A inserted: No. 49 of 2004 s. 8; amended: No. 5 of 2017 s. 19.]

Strategic Community Plan

Strategy 1.1.2- Monitor and ensure compliance with the regulatory framework for local government governance and operations. (Service Priority: High).

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High).

Environment	-	None.
Precedents	-	None.
Budget Implications	-	None.
Council Policy Compliance	-	None.
Risk Assessment	-	Low.

Officer Comment

The letter from the Department of Local Government, Sport and Cultural Industries refers to a matter identified as significant by the auditor in the 2017/18 financial statements. Specifically "Significant adverse trends in the financial position: Operating Surplus Ratio, Current Ratio and Debt Service Cover Ration below the Department standard".

The letter refers to Section 7.12A(4) of the Local Government Act 1995 where a Local Government amongst other things must prepare a report addressing any matters identified as significant by the auditor and a copy be provided to the Minister within 3 months.

The Shire of Dardanup Auditor's (Butler Settineri Pty Ltd) conducted the 2017/18 audit and did not encounter any significant issues during the course of the audit, but only noted that the operating surplus ratio, current ratio and debt cover ratio did not meet the benchmark set by the Department.

The Audit report states (Appendix AUD:8.5B) as follows:

In accordance with the Local Government (Audit) Regulations 1996, we also report that:
a) Apart from the operating surplus ratio, current ratio and debt service cover ratio not meeting the minimum benchmark levels, <u>there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire</u>.

b) *The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).*

c) *All information and explanations required were obtained by us.*

d) *All audit procedures were satisfactorily completed in conducting our audit.*

BUTLER SETTINERI (AUDIT) PTY LTD
MARIUS VAN DER MERWE CA
Director

Similarly within the Auditor's Management Report (Appendix AUD:8.5C) states:

We wish to advise that we have recently completed the audit for the year ended 30 June 2018.

The Australian Auditing Standards require auditors to communicate with those charged with governance as a means of advising Council of any matters noted during the course of the audit.

Our audit work involves the review of only those systems and controls adopted by the councillors and management upon which we wish to rely for the purposes of determining our audit procedures. Furthermore, our audit should not be relied upon to disclose defalcations or other similar irregularities, although their disclosure, if they exist, may well result from the audit tests we undertake. While we have considered the control environment in accordance with Australian Auditing Standards, we have not tested controls and hence do not comment on whether systems and controls are operating effectively.

We advise that <u>we have not encountered any significant issues during the course of our audit</u> but we believe the following should be brought to Council's attention as detailed below.

Infrastructure Valuation
....
Financial ratios
....

Based on the above audit statements and confirmation with Council's auditor that no significant issues were raised in the 2017/18 audit, Council Officer's are waiting for confirmation from the Department that there were no material matters raised, and therefore the Council has not failed to report the matter under Section 7.12A to the Minister.

If the Department of Local Government, Sport and Cultural Industries still requires an explanation as to why the operating surplus ratio, current ratio and debt cover ratio did not meet the benchmark as set out by the Department, the management explanation provided in the Auditor's Management Report (Appendix AUD:8.5C) provides a clear response. This states:

The Operating Surplus Ratio is a measure of the Shire's ability to service its day to day operational costs including asset depreciation from its revenue base. The Debt Cover Ratio measures the Shire's ability to service debt out of its uncommitted or general purpose fund available. Both ratios include operating expenditure of $2,292,000 for the bridge works expensed in 2017/18 for the Treendale Millbridge Bridge works. The ratios do not take into account that this expenditure is fully funded from Reserve, resulting in a 'Standard Not Met' for both ratios. Removing the expenditure of $2,292,000 from the Debt Cover Ratio would result in an 'Advanced Statdard' ratio of 5.638.

The Current Ratio, as adopted by the Department of Local Government is modified from the standard commercial calculation of the Current Ratio. The Department requires "Restricted Assets" (cash backed reserve funds) from being included in the calculation.

While the Shire does not meet the required Department benchmark, if the standard commercial calculation of the Current Ratio was made, the Shire's Current Ratio as at 30 June 2018 would be calculated at 623.6%, meaning the Shire has a multiple of 6.236 in liquid Current Assets to meet its Current Liabilities.

(Appendix ORD: 12.8A)

Voting Requirements - Simple Majority.

**OFFICER RECOMMENDED RESOLUTION
& AUDIT COMMITTEE RESOLUTION**

AUD 10-19 MOVED - Cr. T Gardiner SECONDED - Cr. J Dow

THAT the Audit Committee recommend that Council:

1. **Receive the correspondance from the Department of Local Government, Sport and Cultural Industries querying significant adverse trends in the financial position of Council for 2017/18, and note the auditors response that there were no significant adverse trends to report.**

2. **Resolve that the responses provided in the 2017/18 Audit report (Appendix AUD:8.5B) and 2017/18 Auditor's Management Report (Appendix AUD:8.5C) be provided to the Department of Local Government, Sport and Cultural Industries in response to the query regarding significant adverse trends in the financial position of Council for 2017/18.**

CARRIED
5/0

9.	ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

None.

10.	NEW BUSINESS OF AN URGENT NATURE

None.

11.	MATTERS BEHIND CLOSED DOORS

None.

12.	CLOSURE OF MEETING.

The Chairperson advised that the date of the next Audit Committee Meeting is to be advised.

There being no further business the Chairperson declared the meeting closed at 2.29pm

Shire of Dardanup

1 Council Drive
EATON WA 6232

RISK MANAGEMENT GOVERNANCE FRAMEWORK

July 2019

THINKFuture
Shire of Dardanup

Shire of Dardanup

Document Control					Shire of Dardanup	
Document ID: Risk Management Governance Framework						
Rev No	Date	Revision Details	Author	Approver	Adopted	
1.0	1/09/2017	Original plan created and adopted	LGIS / Phil Anastasakis	Phil Anastasakis	15/09/2017	
2.0	30/06/2019	Plan revised in conjunction with LGIS workshop	LGIS / Cindy Barbetti	Phil Anastasakis	TBC	

CONTENTS

INTRODUCTION

The Shire of Dardanup's (Council) Risk Management Policy in conjunction with the components of this document encompasses the Council's Risk Management Governance Framework. It sets out the Council's approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2018 Risk Management - Guidelines.

It is essential that all areas of the Council 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 are understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Council.
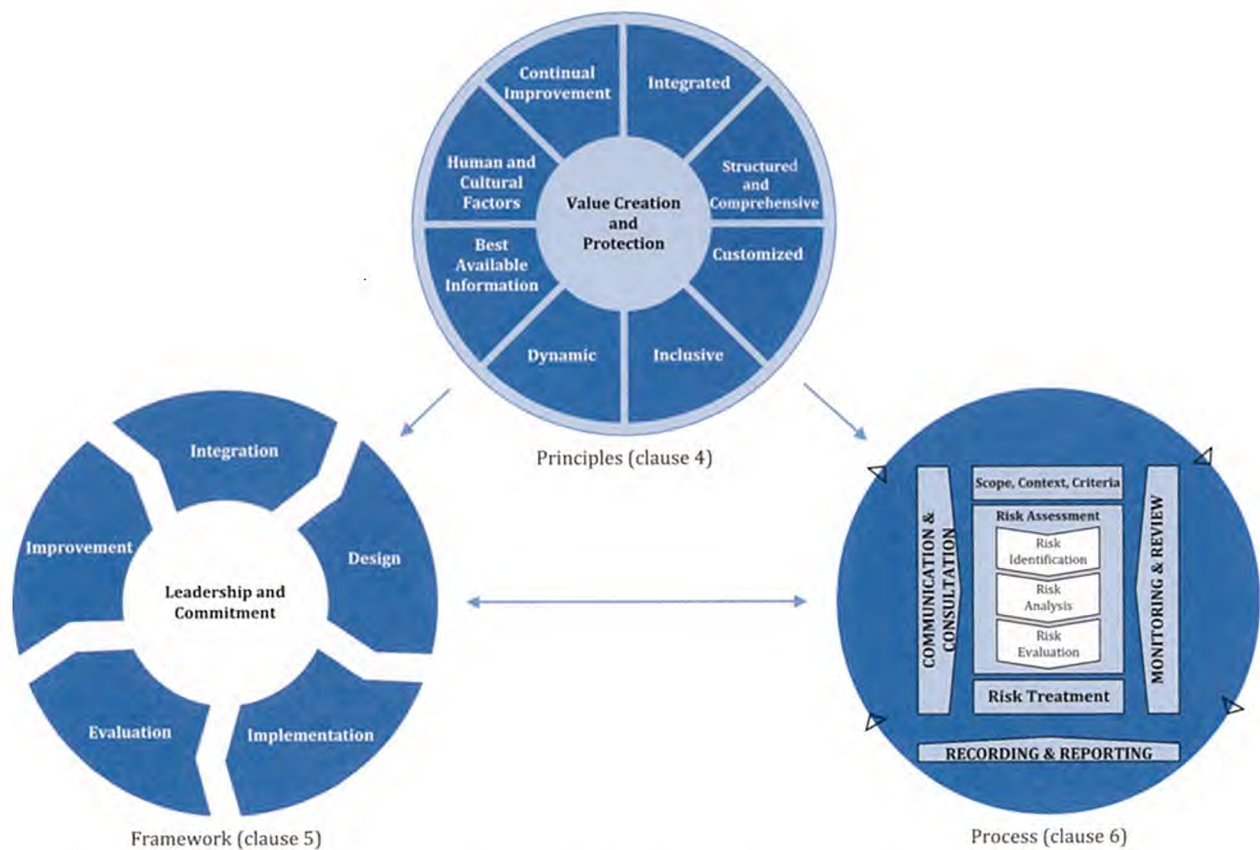

**Figure 1: Relationship between the risk management principles, framework and process
(Source: ISO 31000:2018)**

GOVERNANCE

Appropriate governance of risk management within 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 Governance Framework is to be reviewed for appropriateness and effectiveness at least once in every three years, or sooner if there has been material restructure or change in the risk and control environment.

Operating Model

The Council 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 the community will have assurance that risks are managed effectively to support delivery of the Shire's Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the Council 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 risk decision-making process.
- Prepare risk acceptance proposals where necessary, based on the level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Council's Compliance Officer 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. Senior Management supplements the 2nd Line.

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 Council's risk reporting for the CEO & Executive Management Team and the Audit & Risk Committee via the 'Dashboard' refer Appendix E and the 'Risk Register' refer Appendix F.

Third Line of Defence

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

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

External Audit – Appointed by Council on the recommendation of the Audit & Risk 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 Council.
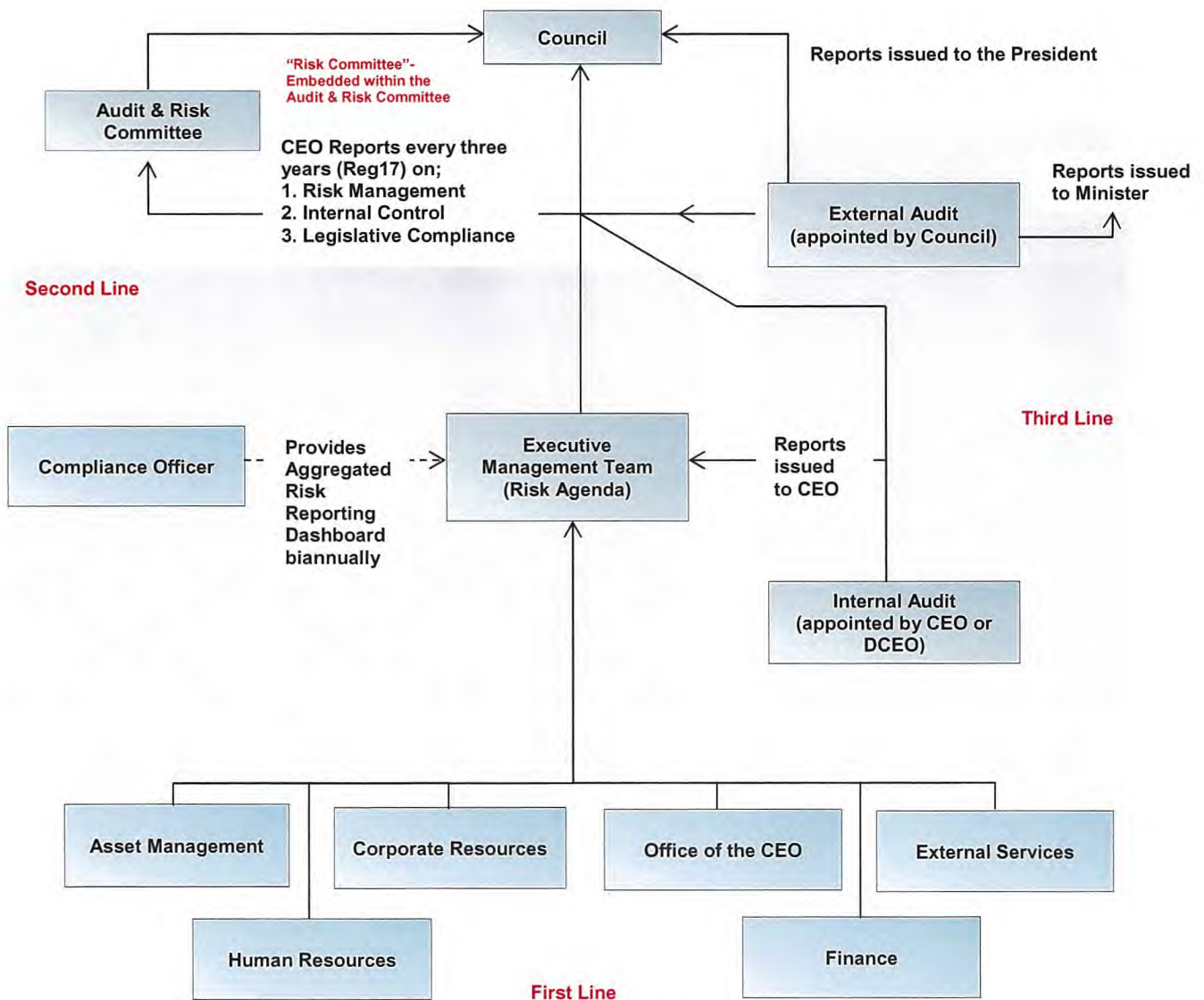

Figure 2: Operating Model

Roles & Responsibilities

Council

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

Audit & Risk Committee

- Regular review of the appropriateness and effectiveness of the Framework.
- 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.

CEO / Executive Management Team

- 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 Governance 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.

Compliance Officer

- Oversee and facilitate the Risk Management Governance 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 Meetings, by incorporating the following agenda items;
  - New or emerging risks.
  - Review existing risks.
  - Control adequacy.
  - Outstanding issues and actions.

Shire of Dardanup

Document Structure (Framework)

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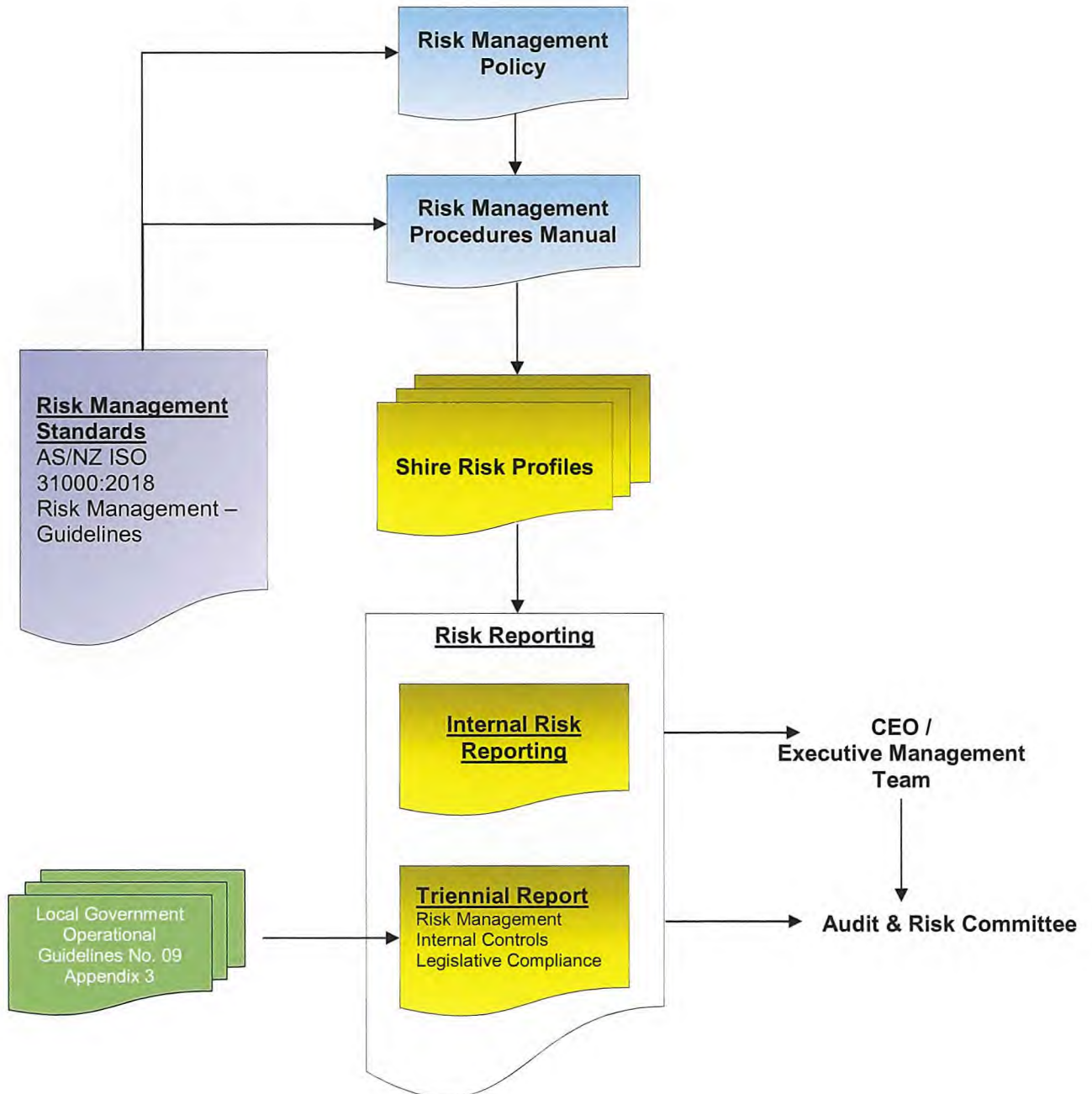
Risk Management Policy

Risk Management Procedures Manual

Risk Management Standards
AS/NZ ISO 31000:2018 Risk Management – Guidelines

Shire Risk Profiles

Risk Reporting

Internal Risk Reporting

CEO / Executive Management Team

Local Government Operational Guidelines No. 09 Appendix 3

Triennial Report
Risk Management Internal Controls Legislative Compliance

Audit & Risk Committee

Figure 3: Document Structure

RISK MANAGEMENT PROCEDURES

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

Each Manager, in conjunction with the Compliance Officer is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Council.
- Reviewed on at least a 3 year rotation, or sooner if 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.

The risk management process is standardised across all areas of the Council. The following diagram outlines that process with the following commentary providing broad descriptions of each step.
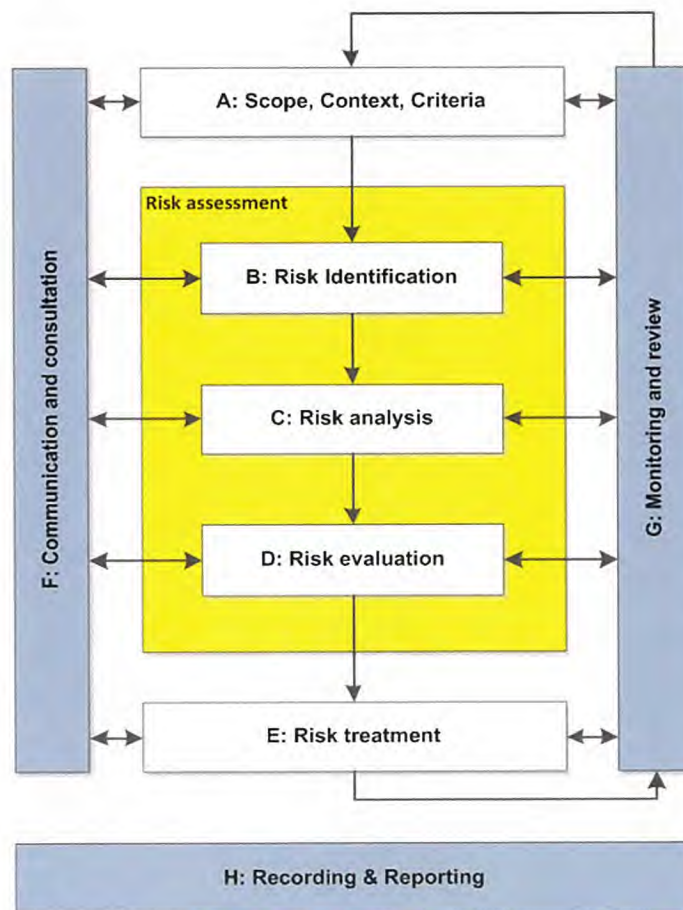

Figure 4: Risk Management Process ISO 31000:2018

A: Scope, Context, Criteria

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 Criteria

This includes the Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed.

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.

Scope and 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. Risk sources can be internal or external.

For specific risk assessment purposes the Council has three levels of risk assessment context:

Strategic Context

These risks are associated with achieving the organisation's long term objectives. Inputs to establishing the strategic risk assessment context may include;

- Organisational Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Strategies / Objectives / Goals (Integrated Planning & Reporting)

Operational Context

The Council'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 it aiming to achieve? In addition, existing Risk Profiles are to be utilised where possible to assist in the identification of related risks.

These Risk Profiles are expected to change over time. In order to ensure consistency, any amendments must be approved by the Executive Management Team.

Project Context

Project Risk has two main components:

- Direct 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 Council from meeting its objectives.
- Indirect 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.

B: Risk Identification

Once the context has been determined, the next step is to identify risks. This is the process of finding, recognising and describing risks. Risks are described as the point along an event sequence where control has been lost. An event sequence is shown below:

1. Causal Factors	2. Risk	3. Consequences
Conditions present that give rise to a risk	Loss of **control**	Impacts, influenced by **control** effectiveness

Figure 5: Event (risk) sequence

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, raise the questions listed below and then capture and review the information within each defined Risk Profile. The objective is to identify potential risks that could stop the Council from achieving its goals. This step is also where opportunities for enhancement or gain across the organisation can be found.

These questions / considerations should be used only as a guide, as unidentified risks can cause major losses through missed opportunities or adverse events occurring. Additional analysis may be required.

Risks can also be identified through other business operations including policy and procedure development, internal and external audits, customer complaints, incidents and systems analysis.

'Brainstorming' will always produce a broad range of ideas and all things should be considered as potential risks. Relevant stakeholders are considered to be the subject experts when considering potential risks to the objectives of the work environment and should be included in all risk assessments being undertaken. Key risks can then be identified and captured within the Risk Profiles.

- 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? (**Consequences**)

Risk Description – describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event.

Potential Causes – are the conditions that may present or the failures that may lead to the event, or point in time when control is lost (risk).

Controls – are measures that modify risk. At this point in the process only existing controls should be considered. They must meet the following three tests to be considered as controls:

1. Is it an object, technological system and / or human action?
2. Does it, by itself, arrest or mitigate an unwanted sequence?
3. Is the required performance specifiable, measureable and auditable?

Consequences – need to be impacts to the Shire. These can be staff, visitor or contractor injuries; financial; interruption to services; non-compliance; damage to reputation or assets or the environment. There is no need to determine the level of impact at this stage.

C: Risk Analysis

To analyse identified risks, the Council's Risk Assessment and Acceptance Criteria (Appendix A) is now applied.

Step 1 - Consider the effectiveness of key controls

Controls need to be considered from three perspectives:

1. The design effectiveness of each individual key control.
2. The operating effectiveness of each individual key control.
3. The overall or combined effectiveness of all identified key controls.

Design Effectiveness

This process reviews the 'design' of the controls to understand their potential for mitigating the risk without any 'operating' influences. Controls that have inadequate designs will never be effective, no matter if it is performed perfectly every time.

There are four components to be considered in reviewing existing controls or developing new ones:

1. Completeness – The ability to ensure the process is completed once. How does the control ensure that the process is not lost or forgotten, or potentially completed multiple times?

2. Accuracy – The ability to ensure the process is completed accurately, that no errors are made or components of the process missed.

3. Timeliness – The ability to ensure that the process is completed within statutory timeframes or internal service level requirements.

4. Theft or Fraud – The ability to protect against internal misconduct or external theft / fraudulent activities.

It is very difficult to have a single control that meets all the above requirements when viewed against a Risk Profile. It is imperative that all controls are considered so that the above components can be met across a number of controls.

Operating Effectiveness

This process reviews how well the control design is being applied. Similar to above, the best designed control will have no impact if it is not applied correctly.

As this generally relates to the human element of control application there are four main approaches that can be employed by management or the risk function to assist in determining the operating effectiveness and / or performance management.

- Re-perform – this is only applicable for those short timeframe processes where they can be re-performed. The objective is to re-perform the same task, following the design to ensure that the same outcome is achieved.

- Inspect – review the outcome of the task or process to provide assurance that the desired outcome was achieved.

- Observe – physically watch the task or process being performed.

- Inquire – through discussions with individuals / groups determine the relevant understanding of the process and how all components are required to mitigate any associated risk.

Overall Effectiveness

This is the value of the combined controls in mitigating the risk. All factors as detailed above are to be taken into account so that a considered qualitative value can be applied to the 'control' component of risk analysis.

The criterion for applying a value to the overall control is the same as for individual controls and can be found in Appendix A under 'Existing Control Ratings'.

Step 2 – Determine the Residual Risk rating

There are three components to this step:

1. Determine relevant consequence categories and rate the 'probable worst consequence' if the risk eventuated with existing controls in place. This is not the worst case scenario but rather a qualitative judgement of the worst scenario that is probable or foreseeable. (Consequence)

2. Determine how likely it is that the 'probable worst consequence' will eventuate with existing controls in place. (Likelihood)

3. Using the Council's Risk Matrix, combine the measures of consequence and likelihood to determine the risk rating. (Risk Rating)

D: Risk Evaluation

Risk evaluation takes the residual risk rating and applies it to the Council's Risk Assessment and Acceptance Criteria (Appendix A) to determine whether the risk is within acceptable levels to the Council.

The outcome of this evaluation will determine whether the risk is low; moderate; high or extreme.

It will also determine through the use of the Risk Acceptance Criteria, what (if any) high level actions or treatments need to be implemented.

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

E: Risk Treatment

There are generally two requirements following the evaluation of risks.

1. In all cases, regardless of the residual risk rating; controls that are rated 'Inadequate' must have a treatment plan (action) to improve the control effectiveness to at least 'Adequate'.

2. If the residual risk rating is high or extreme, treatment plans must be implemented to either:

    a. Reduce the consequence of the risk materialising.

    b. Reduce the likelihood of occurrence.

    (Note: these should have the desired effect of reducing the risk rating to at least moderate)

    c. Improve the effectiveness of the overall controls to 'Effective' and obtain delegated approval to accept the risk as per the Risk Acceptance Criteria.

Once a treatment has been fully implemented, the Compliance Officer 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).

F: Communication & Consultation

Effective communication and consultation are essential to ensure that those responsible for managing risk, and those with a vested interest, understand the basis on which decisions are made and why particular treatment / action options are selected or the reasons to accept risks have changed.

As risk is defined as the effect of uncertainty on objectives, consulting with relevant stakeholders assists in the reduction of components of uncertainty. Communicating these risks and the information surrounding the event sequence ensures decisions are based on the best available knowledge.
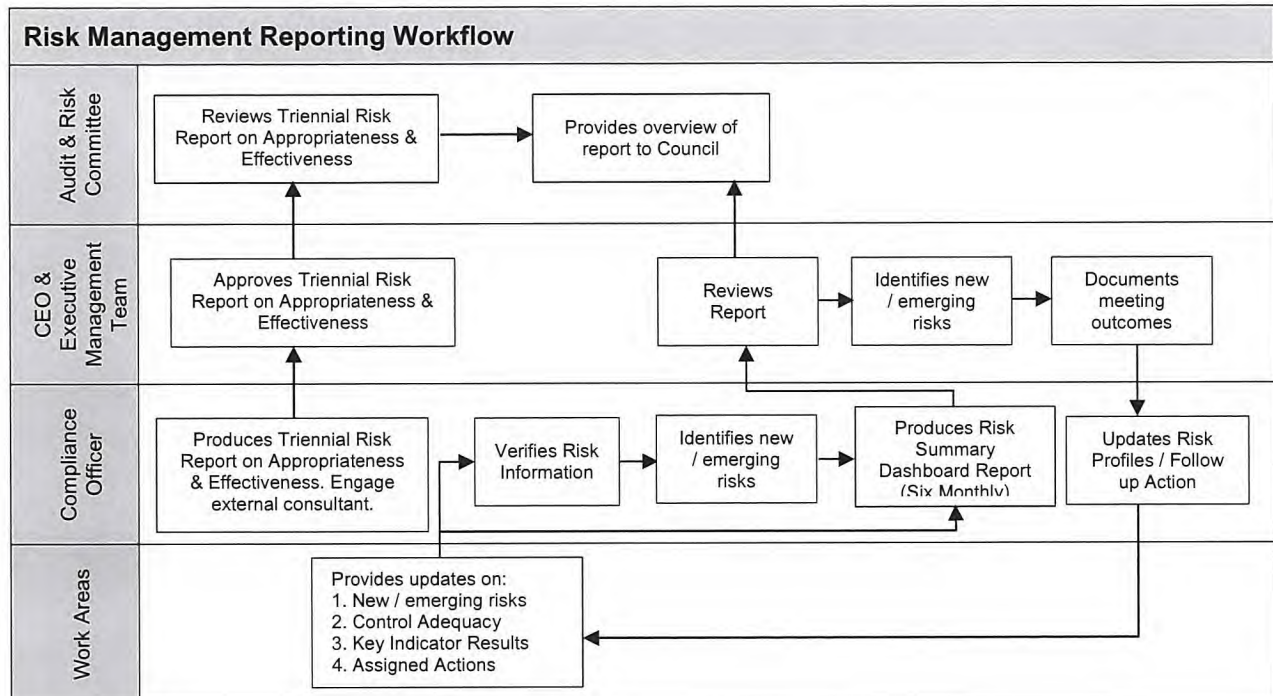
G: Monitoring & Review

It is essential to monitor and review the management of risks, as changing circumstances may result in some risks increasing or decreasing in significance.

By regularly reviewing the effectiveness and efficiency of controls and the appropriateness of treatment / action options selected, we can determine if the organisation's resources are being put to the best use possible.

During the quarterly reporting process, management are required to review any risks within their area and follow up on controls and treatments / action mitigating those risks. Monitoring and the reviewing of risks, controls and treatments also apply to any actions / treatments to originate from an internal audit. The audit report will provide recommendations that effectively are treatments for risks that have been tested during an internal review.

Shire of Dardanup

H: Recording & Reporting

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

Risk Management Reporting Workflow

Audit & Risk Committee	Reviews Triennial Risk Report on Appropriateness & Effectiveness → Provides overview of report to Council
CEO & Executive Management Team	Approves Triennial Risk Report on Appropriateness & Effectiveness — Reviews Report → Identifies new / emerging risks → Documents meeting outcomes
Compliance Officer	Produces Triennial Risk Report on Appropriateness & Effectiveness. Engage external consultant. → Verifies Risk Information → Identifies new / emerging risks → Produces Risk Summary Dashboard Report (Six Monthly) → Updates Risk Profiles / Follow up Action
Work Areas	Provides updates on: 1. New / emerging risks 2. Control Adequacy 3. Key Indicator Results 4. Assigned Actions

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 Compliance Officer.

- Work through assigned actions and provide relevant updates to the Compliance Officer.

- Risks / Issues reported to the CEO & Executive Management Team are reflective of the current risk and control environment.

The Compliance Officer is responsible for:

- Ensuring Council Risk Profiles are formally reviewed and updated, at least on a 3 year rotation or earlier when there has been a material restructure, change in risk ownership or change in the external environment.

- Six Monthly Risk Dashboard Reporting for the CEO & Executive Management Team – Contains an overview of the Risk Summary for the Council.

- Ensuring the Annual Compliance Audit Return completion and lodgement by the 31 March each year by the Manager Governance & HR.

KEY INDICATORS

Key Indicators may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of Key Indicators:

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

Identification

The following represent the minimum standards when identifying appropriate Key Indicators:

- The risk description and casual factors are fully understood
- The Key Indicator is fully relevant to the risk or control
- Predictive Key Indicators are adopted wherever possible
- Key Indicators 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 Key Indicator 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 Key Indicators can be used to provide a level of assurance on data integrity.

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

Tolerances

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

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

Monitor & Review

All active Key Indicators are updated as per their stated frequency of the data source.

When monitoring and reviewing Key Indicators, the overall trend must be considered over a longer timeframe than that of individual data movements only. The trend of the Key Indicators 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).

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, copied to the CEO, and include:

- A description of the risk and the reasons for holding a risk outside appetite
- An assessment of the risk (e.g. 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. Executive Management Team)

Appendix A – Risk Assessment and Acceptance Criteria

	Shire of Dardanup Measures of Consequence					
Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
Insignificant (1)	Near miss Minor first aid injuries	Less than $10,000	No material service interruption - backlog cleared < 6 hours	**Compliance** - No noticeable regulatory or statutory impact. **Legal** - Threat of litigation requiring small compensation. **Contract** - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	$10,001 - $50,000	Short term temporary interruption – backlog cleared < 1 day	**Compliance** - Some temporary non compliances. **Legal** - Single minor litigation. **Contract** - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	$50,001 - $300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	**Compliance** - Short term non-compliance but with significant regulatory requirements imposed. **Legal** - Single moderate litigation or numerous minor litigations. **Contract** - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	$300,001 - $1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	**Compliance** - Non-compliance results in termination of services or imposed penalties. **Legal** - Single major litigation or numerous moderate litigations. **Contract** - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	**Compliance** - Non-compliance results in litigation, criminal charges or significant damages or penalties. **Legal** - Numerous major litigations. **Contract** - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained irreversible impact

(Appendix ORD: 12.8B)

Measures of Likelihood

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

Risk Matrix

Likelihood	Consequence	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain	5	Moderate (5)	Moderate (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)	Moderate (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

(Appendix ORD: 12.8B)

Page | 15

Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility	Entered on Risk Register
LOW (1 – 4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Staff Member / Supervisor	No
MODERATE (5 – 11)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Supervisor / Manager	No
HIGH (12 – 19)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Manager / Director / EMT	Yes
EXTREME (20 – 25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	EMT / CEO / Council	Yes

Existing Controls Ratings

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

(Appendix ORD: 12.8B)

Appendix B – Risk Profile Template

Risk Theme	Date

What could go right/wrong?
Definition of theme

Potential causes include: (What could cause it to go right/wrong?	Context
List of potential causes	Strategic Operational Project

Key Controls (What we have in place to prevent it going wrong)	Type	Date	Rating	Control Owner
List of Controls	Preventative Detective Recovery		Effective Adequate Inadequate Not Rated	

	Overall Control Rating:	

Current Actions	Due Date	Responsibility
List current issues/actions/treatments		

Consequence Category	Risk Ratings	Rating
	Consequence:	
Health, Financial Impact, Service Interruption, Legal and Compliance, Reputational, Environment	Likelihood:	
	Overall Risk Rating:	

Indicators (These would 'indicate' to us that something has gone right/wrong)	Type	Benchmark
List of Indicators	Lagging Leading	

Comments

Appendix C – Controls Assurance

Controls Assurance						
Control Owner	Control is documented?	Control is understood?	Control is up to date?	Control is relevant?	Control data, quality & integrity have been validated?	Comments

Status of Actions	Comments

Has the Risk Rating Changed since the last review?		Comments
Consequence:		
Likelihood:		

Risk rating trend since last review		

Result	Better or worse than Benchmark?	Trend since last review?	Comments

Comments	

Appendix D – Risk Theme Definitions

1. 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 during their lifecycle from procurement to disposal.

Areas included in the scope are:
- Inadequate design (not fit for purpose).
- Ineffective usage (down time).
- Outputs not meeting expectations.
- Inadequate maintenance activities.
- Inadequate financial management and planning (capital renewal plan).

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer risk theme 12 - Misconduct.

2. Business and Community Disruption
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

This includes:
- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training for specific individuals or availability of appropriate emergency response.
- Lack of (or inadequate) emergency response / business continuity plans.
- 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 risk theme 11 - Failure of IT, Communication Systems and Infrastructure.

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

It does not include Occupational Safety & Health Act (refer risk theme 14 - Safety and Security Practices) or any Employment Practices based legislation (refer risk theme 5 - Employment Practices).

4. Document Management Processes
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.

This includes:
- Contact lists.
- Procedural documents, personnel files, complaints.
- Applications, proposals or documents.

- Contracts.
- Forms or requests.

5. Employment Practices
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

This includes:
- Not having appropriately qualified or experienced people in the right roles.
- Insufficient staff numbers to achieve objectives.
- Breaching employee regulations.
- Discrimination, harassment & bullying in the workplace.
- Poor employee wellbeing (causing stress).
- Key person dependencies without effective succession planning in place.
- Industrial action.

6. 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 includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.

For example:
- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Local planning initiatives.
- Strategic planning initiatives.

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

7. Environment 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 & mosquito / Vector control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

8. Errors, Omissions and Delays
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.

Examples include:
- Incorrect planning, development, building, community safety and Emergency Management advice.
- Incorrect health or environmental advice.

- Inconsistent messages or responses from Customer Service Staff.
- Any advice that is not consistent with legislative requirements or local laws.
- Human error.
- Inaccurate recording, maintenance, testing or reconciliation of data.
- Inaccurate data being used for management decision-making and reporting.
- Delays in service to customers.

This excludes process failures caused by inadequate / incomplete procedural documentation - refer risk theme 4 - Document Management Processes.

9. External Theft and Fraud (includes Cyber Crime)

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud: benefit or gain by deceit
- Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft: stealing of data, assets or information

10. Management of Facilities, Venues and Events

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

This includes:
- Inadequate procedures in place to manage quality or availability.
- Poor crowd control.
- Ineffective signage.
- Booking issues.
- Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility).
- Inadequate oversight or provision of peripheral services (e.g. cleaning / maintenance).

11. IT, Communication Systems and Infrastructure

Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.

Examples include failures or disruptions caused by:
- Hardware or software.
- Networks.
- Failures of IT Vendors.

This also includes where poor governance results in the breakdown of IT maintenance such as:
- Configuration management
- Performance monitoring

This does not include new system implementations – refer risk theme 13 - Project / Change Management.

12. 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.
- Inappropriate use of plant, equipment or machinery.
- Inappropriate use of social media.
- Inappropriate behaviour at work.
- Purposeful sabotage.

This does not include instances where it was not an intentional breach - refer risk theme 8 - Errors, Omissions and Delays.

13. Project / Change Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

This includes:
- Inadequate change management framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems.
- Inadequate handover process.

This does not include new plant & equipment purchases.   Refer risk theme 1 - Asset Sustainability Practices.

14. 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 negligence or carelessness.

15. Supplier and 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 (contracts awarded to one supplier).
- Vendor sustainability.

Appendix E – Dashboard

Shire of Dardanup
Risk Dashboard Report [MONTH YEAR]

Executive Summary

This Dashboard Report summarises the Council's risks within the Risk Management Governance Framework. The focus continues to be on embedding and driving continual improvement. It is supported by:
1. *Risk Profiles for the 15 themes discussed.*
2. *Risk Management Policy AP023 and Procedures PR036.*

Asset Sustainability Practices		Risk	Control
Risk Responsibility		Manager Operations	
Current Actions	Due Date	Responsibility	

External Theft and Fraud (including Cyber Crime)		Risk	Control
Risk Responsibility		Manager Financial Services	
Current Actions	Due Date	Responsibility	

Business & Community Disruption		Risk	Control
Risk Responsibility		Manager Information Services	
Current Actions	Due Date	Responsibility	

Management of Facilities, Venues and Events		Risk	Control
Risk Responsibility		Manager Community Services	
Current Actions	Due Date	Responsibility	

Failure to Fulfil Compliance Requirements (Statutory, Regulatory)		Risk	Control
Risk Responsibility		Manager Financial Services	
Current Actions	Due Date	Responsibility	

IT, Communication Systems and Infrastructure		Risk	Control
Risk Responsibility		Manager Information Services	
Current Actions	Due Date	Responsibility	

Document Management Processes		Risk	Control
Risk Responsibility		Manager Information Services	
Current Actions	Due Date	Responsibility	

Misconduct		Risk	Control
Risk Responsibility		Manager Financial Services	
Current Actions	Due Date	Responsibility	

Employment Practices		Risk	Control
Risk Responsibility		Manager Governance & HR	
Current Actions	Due Date	Responsibility	

Project/Change Management		Risk	Control
Risk Responsibility		Manager Operations	
Current Actions	Due Date	Responsibility	

(Appendix ORD: 12.8B)

Engagement practices		Risk	Control
Risk Responsibility		Manager Community Services	
Current Actions	Due Date	Responsibility	

Safety and Security Practices		Risk	Control
Risk Responsibility		Manager Governance & HR	
Current Actions	Due Date	Responsibility	

Environment Management		Risk	Control
Risk Responsibility		Manager Operations	
Current Actions	Due Date	Responsibility	

Supplier and Contract Management		Risk	Control
Risk Responsibility		Manager Operations	
Current Actions	Due Date	Responsibility	

Errors, Omissions and Delays		Risk	Control
Risk Responsibility		Manager Governance & HR	
Current Actions	Due Date	Responsibility	

Appendix F – Risk Register

No	Context	Risk Description	Theme	Summary Risk Treatment Plan	Likelihood	Consequence	Risk Rating

RISK REGISTER [YEAR]

Executive Summary

This Risk Register has been compiled in accordance with PR036 Risk Management, which directs that 'where the outcome is High or Extreme the finding is to be disclosed'.

(Appendix ORD: 12.8B)

Appendix G – Risk Management Policy

Shire of Dardanup	ADMINISTRATIVE POLICY **RISK MANAGEMENT**	REFERENCE NO: **AP023**

1. RESPONSIBLE DIRECTORATE

Executive

2. PURPOSE OR OBJECTIVE

The Shire of Dardanup acknowledges that there is a level of risk associated with the projection of the creation and the maintenance of assets and services. The process for the development of new assets per the Assets Management Plan identifies risk assessment by application of the **Australian Standard AS/NZS ISO 31000:2018 – Risk Management – Principles and Guidelines.**

Prior to the implementation of a new strategy, activity, service, event or project, officers of the Shire of Dardanup will analyse the likelihood and consequence of any risks associated with the subject matter and recommend to management and or the Council whether the level of risk is acceptable, manageable or not manageable at all.

Officers will assess the level of risk using this policy and Australian Standard AS/NZS ISO 31000:2018 – Risk Management – Principles and Guidelines.

Risk Management Definition:

> *"...the possibility of something happening that impacts on your objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence."*

To ensure that sound risk management practices and procedures are fully integrated into the Shire of Dardanup's strategic and operational planning processes and day to day business practices.

3. REFERENCE DOCUMENTS

Local Government Act 1995

4. POLICY

The Directors, Managers and Employees of the Shire of Dardanup are committed to the implementation of an enterprise wide risk management approach to identify and manage all risks and opportunities associated with the performance of the Shire of Dardanup functions and the delivery of services.

To achieve this policy a risk management strategy has been developed for the organisation. In implementing this strategy the Shire of Dardanup will actively;

- Identify and prioritise all strategic and operational risks and opportunities using the risk management process.

- Ensure risk management becomes part of day to day management and processes.

- provide staff with the policies and procedures necessary to manage risks

- ensure staff are aware of risks and how to identify, assess and control them; and

- compile and monitor a register of operational and strategic risks in order to achieve continuous improvement in risk management

Australian Standard AS/NZS ISO 31000:2018 – Risk Management – Principles and Guidelines shall be used as the model for the implementation of the risk management strategy and process within the organisation.

Management and staff are to be familiar with, and competent in, the application of risk management principles and practices and are accountable for applying them within their areas of responsibility.

The following risk categories are to be considered in application of this policy:

- Health
- Financial Impact
- Service Interruption
- Legal and Compliance
- Reputational
- Environment

The level of risk associated with the consequence of the risk outcome is to be considered by the following table:

RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
Insignificant (1)	Near miss Minor first aid injuries	Less than $10,000	No material service interruption - backlog cleared < 6 hours	**Compliance** - No noticeable regulatory or statutory impact. **Legal** - Threat of litigation requiring small compensation. **Contract** - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	$10,001 - $50,000	Short term temporary interruption – backlog cleared < 1 day	**Compliance** - Some temporary non compliances. **Legal** - Single minor litigation. **Contract** - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	$50,001 - $300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	**Compliance** - Short term non-compliance but with significant regulatory requirements imposed. **Legal** - Single moderate litigation or numerous minor litigations. **Contract** - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	$300,001 - $1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	**Compliance** - Non-compliance results in termination of services or imposed penalties. **Legal** - Single major litigation or numerous moderate litigations. **Contract** - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained reversible impact managed by coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	**Compliance** - Non-compliance results in litigation, criminal charges or significant damages or penalties. **Legal** - Numerous major litigations. **Contract** - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained irreversible impact

Specific responsibilities are:

- Chief Executive Officer - promote risk management as a vital business principle

- Directors and Operational Managers

  - manage implementation and maintenance of the risk management policy in their areas of responsibility and create an environment where staff are responsible for and actively involved in managing risk

  - implement and review the risk management strategy and provide advice in relation to risk management matters

  - To facilitate training on the implementation of risk management

- Executive Management Team

  - consult and communicate with the Chief Executive Officer in relation to the identification of risks, reviews of identified risks and controls, and the documentation of risks

In order to ensure continued awareness, assessment and assurance in relation to risk management practices and procedures, regular reports from the risk register will be provided to Directors and Operational Managers on the status of risk management within the organisation and identify the need for specific areas of action or review. In addition, the Executive Management Team will communicate with the employees in order to ensure they are informed and aware of the risks identified that may impact upon the annual operational and strategic plans.

The risk management policy and process will be supported by the Executive Management Team, to assist with the implementation, promotion, review and maintenance of this policy and the associated risk management strategy. The risk management policy, strategy and the strategic risk register shall be reviewed by the Audit & Risk Committee.

LIKELIHOOD TABLE

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

LEVEL OF RISK GUIDE

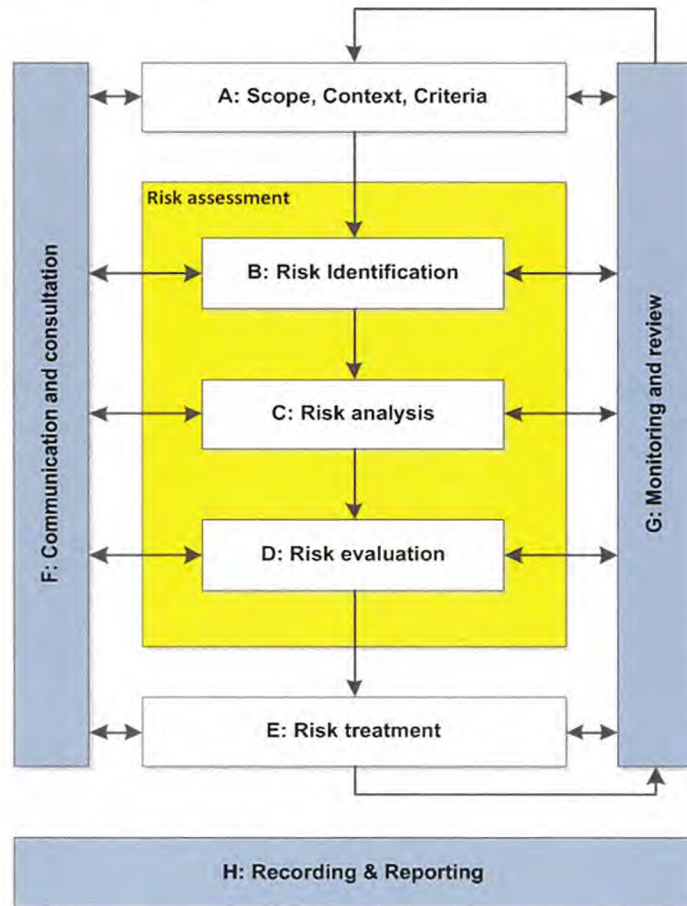| Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely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

RISK ACCEPTANCE CRITERIA

Risk Rank	Description	Criteria	Responsibility	Entered on Risk Register
LOW (1 – 4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Staff Member / Supervisor	No
MODERATE (5 – 11)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Supervisor / Manager	No
HIGH (12 – 19)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Manager / Director / EMT	Yes
EXTREME (20 – 25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	EMT / CEO / Council	Yes

EXISTING CONTROLS TABLE

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

RISK MANAGEMENT PROCESS

Appendix H – Risk Management Procedure

	PROCEDURE	REFERENCE NO:
Shire of Dardanup	**RISK MANAGEMENT**	**PR036**

1.   RESPONSIBLE DIRECTORATE

Executive

2.   OVERVIEW

The Shire of Dardanup acknowledges that there is a level of risk associated with the projection of the creation and the maintenance of Council assets and services.

Officers are guided to assess the level of risk by using the Risk Management Governance Framework, inclusive of Council Policy AP023 and Australian Standard AS/NZS ISO 31000:2018 – Risk Management – Principles and Guidelines.

3.   PROCEDURE

3.1   Reference to Risk:
The Risk Management Governance Framework provides direction for officers with assessing the risk of all operational and strategic decisions.   These decisions include all decisions made under delegated authority and or referred to a Council Committee or an Ordinary Meeting of Council.

Officer reports will identify if there is a likelihood of risk associated with the item subject of the report and advise the outcome of the risk analysis in accordance with the Framework.

Council and committee reports will include a reference to risk, explaining if a risk has been identified and how the risk is to be managed based on this policy and other relevant matters.

3.2   How to Reference Risk for Council Decision Making Process:
Reports will include some notation that the Risk Management Governance Framework has been considered in arriving at recommendations to Council.

In considering how this should be done, a three tiered approach is utilised:

1. Should no discernible Risk be identified (no Risk Theme or Consequence identified) a notation to that effect to be included in the Council report. An example is Council receiving a Status Report.

2. Should a Risk be determined as 'Moderate' or 'Low' a brief notation/commentary will state this. No treatment or action will emanate as a result of the Moderate or Low rating. This would cover many of the 'standard' reports to Council such as Accounts for Payment, Planning reports with uncomplicated legislative compliance, minor Policy updates etc.

3. Reports with an identified 'High' or 'Extreme' Risk would include a Matrix Assessment Table. Matters with significant legal implications or complex issues such as Tenders, large contract renewals, major plant purchases or projects where there is a significant value/budget or time component involved may also be presented in this manner.

Officers that are involved in the agenda item writing process should familiarise themselves with the Framework and its associated risk tables to ensure that risk assessment has been considered in arriving at recommendations to Council.

3.3   Risk Action:
Action, if any is to be recommended with regard to treatment of the risk or to not proceed with the project.

4.   RISK REGISTER

Where the residual risk is high or extreme the finding is to be disclosed in the Risk Register.

RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
Insignificant (1)	Near miss Minor first aid injuries	Less than $10,000	No material service interruption - backlog cleared < 6 hours	**Compliance** - No noticeable regulatory or statutory impact. **Legal** - Threat of litigation requiring small compensation. **Contract** - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	$10,001 - $50,000	Short term temporary interruption – backlog cleared < 1 day	**Compliance** - Some temporary non compliances. **Legal** - Single minor litigation. **Contract** - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	$50,001 - $300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	**Compliance** - Short term non-compliance but with significant regulatory requirements imposed. **Legal** - Single moderate litigation or numerous minor litigations. **Contract** - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	$300,001 - $1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	**Compliance** - Non-compliance results in termination of services or imposed penalties. **Legal** - Single major litigation or numerous moderate litigations. **Contract** - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	**Compliance** - Non-compliance results in litigation, criminal charges or significant damages or penalties. **Legal** - Numerous major litigations. **Contract** - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained, irreversible impact

(Appendix ORD: 12.8B)

LIKELIHOOD TABLE

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

LEVEL OF RISK GUIDE

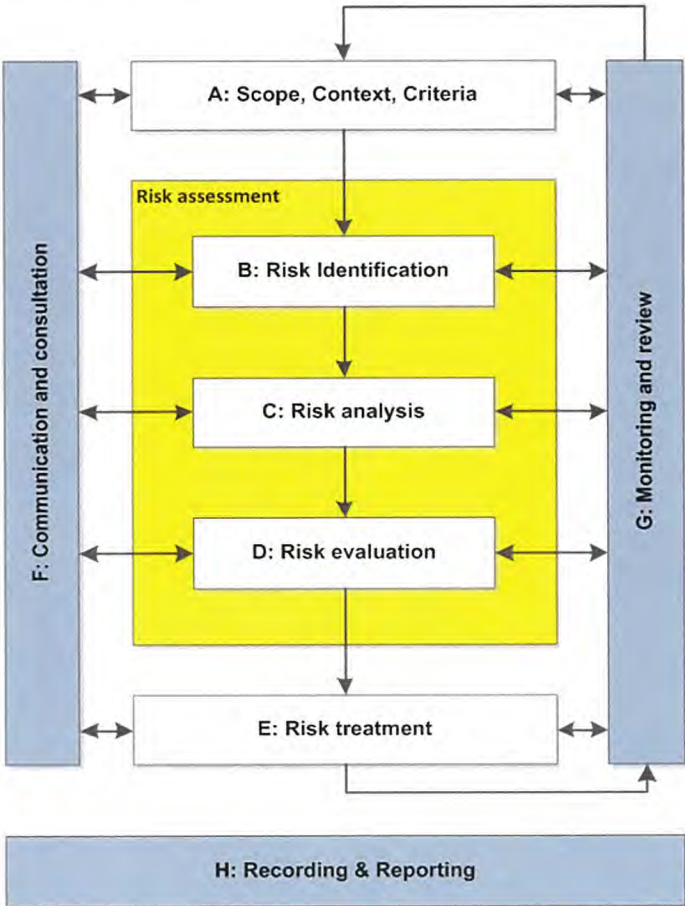| Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely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

RISK ACCEPTANCE CRITERIA

Risk Rank	Description	Criteria	Responsibility	Entered on Risk Register
LOW (1 – 4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Staff Member / Supervisor	No
MODERATE (5 – 11)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Supervisor / Manager	No
HIGH (12 – 19)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Manager / Director / EMT	Yes
EXTREME (20 – 25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	EMT / CEO / Council	Yes

EXISTING CONTROLS TABLE

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

RISK MANAGEMENT PROCESS

Shire of Dardanup

1 Council Drive
EATON WA 6232

INTERNAL AUDIT STRATEGIC PLAN

2019/20 – 2021/22

THINKFuture
Shire of Dardanup

Shire of Dardanup

Document Control			Shire of Dardanup		
Document ID: Internal Audit Strategic Plan					
Rev No	**Date**	**Revision Details**	**Author**	**Approver**	**Adopted**
1.0	01/07/2019	Original plan created and adopted	Cindy Barbetti / Phil Anastasakis	Phil Anastasakis	TBC

Contents

INTRODUCTION

The primary purpose of the Shire of Dardanup's Internal Audit Plan is to align its focus and activities on the Council's key internal risks. The Internal Audit functional planning framework consists of two key elements:

- an Internal Audit Strategic Plan with a three year outlook that relates the role of internal audit to the requirements of the Council by outlining the broad direction of internal audit over the medium term, in the context of all the Council's assurance activities; and

- an Internal Audit Annual Work Plan which includes an Internal Audit Annual Work schedule.

Together, these plans serve the purpose of setting out, in strategic and operational terms, the broad roles and responsibilities of Internal Audit and identify key issues relating to internal audit capability, such as the required professional skills.

This Annual Work Plan covers a financial year in line with the Council's annual budgeting and planning cycle and specifies the proposed internal audit coverage within the financial year.

It is reviewed annually by the Deputy CEO in line with the presentation of the annual financial report audit to the Audit Committee.

INTERNAL AUDIT ACTIVITIES OVERVIEW

It is important that internal audit has a predominant focus on the conduct of assurance and advisory activities. Nevertheless, audit support activities are also important activities generally undertaken by Internal Audit.

The relative proportion of resources devoted to audit support activities, compared with audit assurance and advisory activities, is an important matter for consideration by the Audit Committee when considering Internal Audit plans and budgets.

It is important to note that the smaller the size of the in-house Internal Audit team, the greater the proportion of the audit support activities will be.

Internal Audit conducts the following **audit support activities** which are generally non-discretionary:

- Internal Audit strategic and operational planning;
- Internal Audit functional and administrative reporting;

Shire of Dardanup

- Monitoring the implementation of audit recommendations made by Internal Audit and the External Auditor;

- Liaison with the External Auditor;

- Internal Audit Quality Assurance and Improvement Program;

- Performing any appropriate special tasks or projects requested by the Deputy CEO, CEO or the Audit Committee; and

- Disseminating better practice and lessons learnt arising from the internal audit activities across local government.

The Internal Audit **assurance activities** include engagements with the following orientation:

- Financial

    o Auditing the financial statements of externally funded grants including research, capital and other special purpose grants/programs; and

    o Auditing the special purpose financial statements of discrete business operations such as Eaton Recreation Centre.

    In performing financial statement audits, Internal Audit typically provides an audit opinion and a reasonable level of assurance to parties outside the Council, depending on the purpose for which the financial statements are prepared.

- Compliance

    o Compliance has traditionally been a focus area for Internal Audit activities. The objective of a compliance engagement is to enable Internal Audit to express an opinion on whether the Council or an organisational area has complied in all material aspects, with requirements as measured by the suitable criteria which include:

        - Federal and State legislation and regulatory requirements;

        - Federal and State Government policies and administrative reporting guidelines;

        - Council policies, procedures and Code of Conduct;

        - contracts to which the Council is a party;

        - strategic plans, or operational programs;

        - ethics related objectives and programs; and

        - other standards and good practice control models.

- Performance (improvement)

    o Performance (improvement) engagement is designed to assess the economy, efficiency and effectiveness of the Council's business systems and processes.

A compliance or performance (improvement) engagement is conducted either as an audit, which provides reasonable assurance, or as a review, which provides limited assurance.

For all assurance activities, Internal Audit observes, where applicable, the professional practice guidelines or statements issued by relevant professional bodies, including (but not limited to):

- CPA Australia; and

- Chartered Accountants Australia and New Zealand;

The Internal Audit **advisory activities** are to provide objective and relevant review services or ad hoc advice to management without assuming management responsibility.

The Deputy CEO considers accepting proposed review engagements based on the engagement's potential to improve the management of risks, add value, and improve the Council's operations.

Internal Audit applies the principle that issue prevention activities are more beneficial and could be more cost-effective than issue detection activities. Accordingly, Internal Audit acts proactively in providing ad hoc advice to utilise its control and risk evaluation skills in preventing control weaknesses and breakdowns by providing ad hoc advice to the Council's management on a range of matters, including:

- o development of new programs and processes;

- o risk management; and

- o fraud control.

The percentages of Internal Audit effort to conduct audit support, assurance and advisory activities will fluctuate over the years depending on the Council's assurance needs and the Internal Audit's operational needs and priorities such as system, process, and staff professional development requirements. This is monitored by the Audit Committee.

METHODOLOGY

Internal Audit adopts a **risk based methodology**. The planning at both the functional and engagement levels is based on the risk assessment performed to ensure that it is appropriate to the size, functions and risk profile of the Council.

In order to provide optimal audit coverage to the Council and minimise duplication of assurance effort, due consideration is given to the following aspects:

- key Council business risks;

- any key risks or control concerns identified by management;

- assurance gaps and emerging needs; and

■ scope of work of other assurance providers, internal and external.

Internal Audit maintains an open relationship with the external auditor and other assurance providers.

INTERNAL AUDIT COVERAGE PRIORITISATION

During each financial year, the Internal Audit coverage will have a different focus depending on the Council's current risk profile and assurance needs. The Internal Audit coverage is categorised into the following broad groups. The order in which these are listed is in line with the current priority given to each group based on the risk assessment.

1. **Annual audits** to review key areas of financial, operational, and human resources across the whole Council. This group of engagements are treated as first priority audits to meet the external reporting and compliance obligation of the Council, which can include:
   a. Grant Audits;
   b. Direct assistance to external audit by performing audit or review procedures under the direction of the external auditor; such activities customarily include the following engagements:
      i. Salaries Audit;
      ii. Expenditure Audit;
      iii. Revenue Audit; and
      iv. Follow up on audit recommendations made by the external auditor.

2. Audits of **high risk areas/systems** where the controls are considered to be effective, however, independent assurance is required to ensure that the controls are in fact operating as intended;

3. Audits that review particular topics **across the whole Council** – such as supplier selection and WHS management framework. This group of engagements are aimed at addressing systemic risks;

4. Audits that review **particular processes/activities** owned by a particular Directorate or Divisions such as gym membership; and

5. Consultancy/ad hoc advice on new systems, processes and initiatives.

A small contingent time budget may be set aside to accommodate ad hoc or special requests, particularly those from the CEO and the Audit Committee.

OBJECTIVE

Engagement objectives are broad statements developed by Internal Audit that define intended engagement accomplishments. This is largely informed by the identified risks and assurance needs of the Council upon commencing of an engagement. Internal Audit

provides opportunities for auditees to have input in formulating audit objective(s). For high risk audits, Internal Audit also seeks the CEO's endorsement of the audit objective(s).

Engagement scope is driven by:
- the determined objectives; the broader the objectives, the wider the audit scope; and
- the level of assurance required; an "audit" provides a reasonable level of assurance and requires wider scope than that for a "review" which provides limited level of assurance.

RESPONSIBILITIES

The Internal Audit program is to be undertaken by the Shire of Dardanup Compliance Officer, with oversight by the Deputy CEO and assistance of other Council staff when required or available.

Council staff involved with the Internal Audit program will have access to all areas of the Shire of Dardanup operations, including correspondence, files, accounts, records and documents as is necessary to perform the duties of the role, except those items that are noted as confidential and/or personal. Access to material noted as confidential and/or personal will only be provided upon request by the CEO.

Council staff involved with the Internal Audit program will conduct their reviews based on the methodology and internal audit coverage prioritization contained within the Internal Audit Plan, and report on the outcome of this review. Where it is reported that problems exist, corrective action will be recommended and followed through for action, ensuring that resources are directed towards areas of highest risk.

The Shire of Dardanup Internal Audit Plan will be reviewed and assessed on an annual basis. The Internal Audit Plan may be adjusted as a result of receiving requests to undertake special advisory services to conduct reviews that do not form part of the structured plan.

At the conclusion of each internal audit a report on the outcome will be forwarded to the Deputy CEO. This report will outline what auditing actions were actually taken, provide recommendations for corrective action as required, monitoring and reporting on the corrective actions undertaken.

Shire of Dardanup

INTERNAL AUDIT ANNUAL WORK PLAN

INTERNAL AUDIT ANNUAL WORK SCHEDULE 2019 - 2020					
PROJECT	**TYPE**	**RISK RATING**	**BUDGET DAYS**	**DATE**	**RESOURCES**
Assets	Assurance - Financial; Compliance	Moderate - High	10	March 2020	Compliance Officer
Receipting Petty Cash	Assurance - Financial; Compliance	Low	3	October 2019	Compliance Officer
Payables Creditors	Assurance - Financial; Compliance	Moderate	5	September 2019	Compliance Officer
Rating Rates Levied	Assurance - Financial; Compliance	Moderate	5	July 2019	Compliance Officer
Tendering Procurement	Assurance - Financial; Compliance	Moderate	8	December 2019	Compliance Officer
Payroll	Assurance - Financial; Compliance	Moderate	3	August 2019	Compliance Officer
Community & Culture Services	Assurance - Financial; Compliance	Low - Moderate	5	November 2019	Compliance Officer
Law Enforcement	Assurance - Financial; Compliance	Low	5	February 2020	Compliance Officer

Shire of Dardanup

ANNUAL AUDIT REVIEW 2019 - 2020

The 2019-2020 Internal Audit Plan will conduct an audit review of 8 areas of the Shire of Dardanup operations:

Assets
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance

Receipting – Petty Cash
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

Payables – Creditors
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

Rating – Rates Levied
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance

Tendering – Procurement
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

Payroll
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

Community and Culture Services
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

Law Enforcement
Internal Controls
Transaction Verification
Authorising Process
Processing
Compliance
Payments

All audit assessment areas above will initially have 4 tests, this testing may be extended if areas of concern are noted.

TEMPLATE – INTERNAL AUDIT ASSESSMENT AND RESPONSE SUMMARY

SHIRE OF DARDANUP – INTERNAL AUDIT ASSESSMENT AND RESPONSE SUMMARY		
Prepared by Date Audit Focus Area		
ASSESSMENT	**OBJECTIVES MET Yes/No/NA**	**COMMENTS**

C1 Internal Controls
      C1.1 Ownership
      C1.2 Comprehensive Written Procedures
      C1.3 Confirm Staff Aware of Procedures
      C1.4 Confirm Staff Follow Procedures		

C2 Transaction Verification		
C3 Authorising Process		
C4 Processing		
C5 Compliance		
C6 Payments		
Reviewed by Date Signed		

(Appendix ORD: 12.8C)

Department of
**Local Government, Sport
and Cultural Industries**
GOVERNMENT OF
WESTERN AUSTRALIA

Our ref	DA3-4#04 E1915554
Enquiries	Stuart Fraser
Phone	65521586
Email	stuart.fraser@dlgsc.wa.gov.au

Mr André Schönfeldt
Chief Executive Officer
Shire of Dardanup
PO Box 7016
EATON WA 6232

Dear Mr Schönfeldt

The Department of Local Government, Sport and Cultural Industries (the Department) has received the Shire's 2017-18 Audit Report from Butler Settineri (Audit) Pty Ltd dated 3 December 2018.

The Audit Report identifies matters as significant in regard to adverse trends, qualified audits and other matters. The following matter is identified as significant by the auditor:

- Significant adverse trends in the financial position: Operating Surplus Ratio, Current Ratio and Debt Service Cover Ratio below the Department standard.

Section 7.12A(4) of the *Local Government Act 1995* states that a local government must:
prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

To date it appears that a report has not been received and has not been published on the Shire's official website in accordance with Section 7.12A.

As a matter of priority the Shire must prepare a report for its Audit Committee and seek council's endorsement before forwarding a copy to the Department at audits@dlgsc.wa.gov.au

As this report is now overdue, the Department requires the local government to remedy this non-compliance within the next 60 days from the date of this letter.

Gordon Stephenson House, 140 William Street
PO Box 8349 Perth Business Centre, WA 6849
Telephone (08) 6552 7300
Email info@dlgsc.wa.gov.au
Web www.dlgsc.wa.gov.au

(Appendix ORD: 12.8D)

For further information please review the Department's Circulars 05-2019 Local Government Auditing and 02-2018 Guide to Local Government Auditing Reforms (page 8) which are published on the Department's website.

Should you have any queries please contact the Department on the above email address or phone 65527300.

Yours sincerely

Narrell Lethorn
Director Industry and Sector Regulation

28 June 2019

cc   Cr Michael Bennett, President, Shire of Dardanup

BUTLER SETTINERI

Real People, Better Business

MVDM : YK
DARD02

11 December 2018

Mr M Chester
Chief Executive Officer
Shire of Dardanup
PO Box 7016
EATON WA 6232

Dear Mark

SHIRE OF DARDANUP

We wish to advise that we have recently completed the audit for the year ended 30 June 2018.

The Australian Auditing Standards require auditors to communicate with those charged with governance as a means of advising Council of any matters noted during the course of the audit.

Our audit work involves the review of only those systems and controls adopted by the councillors and management upon which we wish to rely for the purposes of determining our audit procedures. Furthermore, our audit should not be relied upon to disclose defalcations or other similar irregularities, although their disclosure, if they exist, may well result from the audit tests we undertake. While we have considered the control environment in accordance with Australian Auditing Standards, we have not tested controls and hence do not comment on whether systems and controls are operating effectively.

We advise that we have not encountered any significant issues during the course of our audit but we believe the following should be brought to Council's attention as detailed below.

Infrastructure Valuation

Finding

When performing our audit procedures on the valuation of infrastructure assets we found that the Shire did not perform a condition assessment of all the infrastructure assets to obtain an accurate assessment of the asset condition at 30 June 2018. While the valuation methodology used was acceptable the confidence in the data used was rated as low.

Unit 16, First Floor
Spectrum Offices
100 Railway Road
(Cnr Hay Street)
Subiaco WA 6008

Tel (08) 6389 5222
Fax : (08) 6389 5255
mail@butlersettineri.com.au
www.butlersettineri.com.au

Locked Bag 18
Subiaco WA 6904
Australia

Butler Settineri (Audit) Pty Ltd
RCA No. 289109   ABN 61 112 942 373
Liability limited by a scheme approved under Professional Standards Legislation

Proactive • Quality • Supportive

Recommendation

Management should perform a condition assessment of all infrastructure assets and update the asset information.

Management Comment

The condition of the assets has not been assessed at 30 June 2018 due to resource constraints. The lack of resources has been acknowledged for some time and a new position has been created in the Workforce Plan. The position of Asset Inspector is expected to commence in early January 2019 and subsequently Council anticipate at the next Infrastructure Revaluation condition assessments will be carried out on all classes of Assets.

Financial ratios

Under note 30 of the financial report, we note that the operating surplus ratio, current ratio and debt cover ratio do not meet the benchmark as set out by the Department of Local Government.

We would like to remind you of the compliance requirements to meet the above ratios. Regular monitoring of the above ratios is recommended.

Management Comment

The Operating Surplus ratio is a measure of the Shire's ability to service its day to day operational costs including asset depreciation from its revenue base. The Debt Cover Ratio measures the Shire's ability to service debt out of its uncommitted or general purpose fund available. Both ratios include operating expenditure of $2,292,000 for the bridge works expensed in 2017/18 for the Treendale Millbridge Bridge works. The ratios do not take into account that this expenditure is fully funded from Reserve, resulting in a 'Standard Not Met' for both ratios. Removing the expenditure of $2,292,000 from the Debt Cover Ratio would result in an 'Advanced Standard' ratio of 5.638.

The Current Ratio, as adopted by the Department of Local Government is modified from the standard commercial calculation of the Current Ratio. The Department requires "Restricted Assets" (cash backed reserve funds) from being included in the calculation.
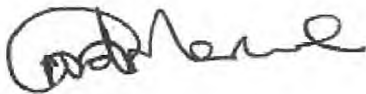
The Current Ratio is calculated in the commercial world as follows;

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

While the Shire does not meet the required Department benchmark, if the standard commercial calculation of the Current Ratio was made, the Shire's Current Ratio as at 30 June 2018 would be calculated at 623.6%, meaning the Shire has a multiple of 6.236 in liquid Current Assets to meet its Current Liabilities.

Should you have any questions please do not hesitate to contact me.

Yours sincerely
BUTLER SETTINERI (AUDIT) PTY LTD

MARIUS VAN DER MERWE   CA
Director

BUTLER▼SETTINERI

Real People, Better Business

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SHIRE OF DARDANUP

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Dardanup, which comprises the statement of financial position as at 30 June 2018, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Dardanup is in accordance with the underlying records of the Shire, including:

a) giving a true and fair view of the Shire's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Basis for Opinion

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

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Other Information

The Councillors are responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Shire determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.

- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 30 of the financial report which describes certain ratio information relating to the financial report. Management's calculation of certain ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on the ratios that include these assumptions.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.
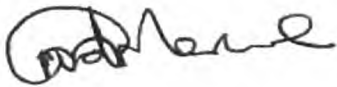
Reporting on Other Legal and Regulatory Requirements

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

Unit 16, F
Spectrum
100 Railw
(Cnr Hay
Subiaco \

a)   Apart from the operating surplus ratio, current ratio and debt service cover ratio not meeting the minimum benchmark levels, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.

b)   The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

c)   All information and explanations required were obtained by us.

d)   All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD

MARIUS VAN DER MERWE CA
Director

Perth
Date: 3 December 2018

FERGUSON VALLEY

FERGUSON VALLEY MARKETING INC

11 July 2019

The CEO and Councillors
Shire of Dardanup
PO Box 7016
Eaton WA. 6232

Dear Sir/Madam

This letter from Ferguson Valley Marketing, Inc. (FVM) is to request that the Shire's recent decision to not fund the Mobile Visitor Centre be reconsidered.

As mentioned in my letter of June 7:

> "The FVM board is hard working group of volunteers, however their energy to contribute is finite and has reached capacity. The Shire has refused to offer financial support to employ Tourism Servicing Staff, unlike many of the surrounding shires, and the MVC is a way to generate income to do this. Having a full time paid Visitor Servicing position, we believe, will make visitor servicing sustainable into the future."

As per previous correspondence the value of tourism to the Shire of Dardanup 3 years ago was 5 million dollars with a total of 35 jobs. Since that time there has been a considerable increase in numbers. In the Southwest, Tourism is the 8th top income earner after Manufacturing, Construction, Mining, Agriculture, civil services and health care. Given 3 of those activities do not occur in the Shire of Dardanup, that puts Tourism as a very important sector.

The FVM actively requested and lobbied during the last state election for funding from the state government to promote the Ferguson Valley and Wellington Forest, and to spell it out: "We got you the money". The Mobile Visitor Centre was always one of our main aims.

If the Shire of Dardanup is not prepared to support the Mobile Visitor Centre, or alternatively to provide sufficient funding to enable FVM to employ a VC coordinator, we will reluctantly need to consider the option of handing the Visitor Centre back to the Shire to manage, or to see it close.

The FVM, last financial year, spent $10,275 directly running the Visitor Centre. The new proposed lease agreement from the shire for the Don Hewison Centre will be even more financially onerous for FVM. If the shire was to take on the Visitor Centre it would need at least 0.3 FTE for a VC Coordinator, provided that the current Visitor Centre volunteers continue, or perhaps 2 FTE if they all ceased their volunteering.

PO Box 7180 Eaton, WA, 6232
Ferguson Valley Visitor Centre : 9728 1551   Email : info@fergusonvalley.net.au
Executive Administration Officer : 0428 281 551   Email: marketing@fergusonvalley.net.au
www.fergusonvalley.net.au   ABN 78 443 832 132

FVM also questions how the Shire deems that this part of the Council Meeting agenda should be held "behind closed doors". The letter from Phil Anastasakis (3 July 2019) stated that it is due to the "contractual and commercially sensitive nature of elements of the report". We propose that the contractual elements are between The Shire and the sign writers, the Shire and ASW, and the Shire and Gnomesville contractors, and that any sensitive financial information is available from the published minutes. If the "contractual and commercially sensitive nature of elements of the report" are related to the MVC then we state that the only opposition to the MVC has come from one business outside the Shire boundaries, as nearly all of the present Ferguson Valley tourism businesses are supportive, and many have written letters of support.

The FVM also believes that the Councillors are not listening to the experts and industry representatives (our membership is greater than 90% of the local Tourism related businesses) in marketing tourism and by making decisions which are not in the best interest of the shire's ratepayers.

Finally, FVM requests that the Shire reconsider its decision made on 26 July 2019, and that it provides approval of the acquired funds to enable the progression of the MVC which will enable greater Visitor Centre financial support, employment, an enhanced tourism focus and will then demonstrate that the Shire does indeed support the positive employment and economic impacts that tourism has within the Shire.

Yours sincerely

Phil Smith
Chairman FVM

FERGUSON VALLEY

2018/2019 FERGUSON VALLEY MEMBERS

Proudly Support Ferguson Valley Marketing Inc

Bakkheia Wines
Bunbury Bus Hire
Bonking Frog Wines
Bush Shack Brewery
Dolphin Discovery Centre
Clem and Tines Vintage Beach Estate
Clifton Realty
Crooked Brook Bed & Breakfast
Crooked Brook Forrest Community Group
Cycletrek
Dardanup Bull & Barrel Committee
Dardanup Garage and Service Station
Dardanup Garage
Dardanup Rural Supplies
Dardanup Heritage Park
Doral Mineral Sands P/L
Eaton Fair Shopping Centre
Eckersley Photography
Elliott Smith Sculptures & Glass Studio
Evedon Lakeside Retreat
Ferguson Falls Wines Café
Ferguson Farmstay
Ferguson Hart Estate
Glen Mervyn Lodge
Green Door Wines
Hackersley Estate Wines
Harris River Estate
Harvey Cheese
Henty Lodge
Hentyview Wines
Hidden Grove Retreat
Hinterland Escapes
Hope Springs Farm
Kingtree Lodge
Kiosk at the Dam
Lyndendale Art and Antiques
Mandalay Road Estate
Mandurah Wine Tours & Charters
McDonalds Eaton
Peppermint Lane Lodge
Riverside Caravan Park
Seasons of Life
South West Tourist Services
St Aidan Wines
Taralea Caravan & Camping Park
Taste the South Tours
5th Element Art Glass Studio & Gallery
The Dell
The Hon Colin Holt MLC
TJ Depiazzi & Sons
Wellington Forest Cottages & Conference Centre
Wild Bull Brewery
Willow Bridge Estate Wines