



Shire of  
**Plantagenet**

Mount Barker • Kendenup • Narrikup  
Porongurup • Rocky Gully

# **AUDIT AND RISK MANAGEMENT COMMITTEE**

# **STATUS REPORT**



The status list below captures all issues raised at Committee meetings since 18 June 2024 and will enable Committee members to easily track the actions taken. Once completed, the text will be crossed out and then deleted in the following Committee agenda.

<b>Date</b>	<b>Item &amp; Lead Officer</b>	<b>Issue</b>	<b>Comment/Status</b>
26 Nov 2024	6. Purchasing policy deviation – purchase orders  Exec Manager – Corporate & Community	Purchase orders had been generated after the invoice was received by the Shire	Ongoing reiteration and staff training required. Procurement training completed by key staff on 12 & 13 December 2024.
<b>17 June 2025</b>	<b>Adoption of 2025 Financial Management Review (containing 41 recommendations)</b>		
FMR Rec 2	5.2.2 Purchasing Policy  Exec Manager – Corporate & Community	Amend the policy to provide purchasing requirements for the issuing of contract variations and extensions for contracts not awarded by public tender. Consideration should be given to circumstances where the contract value increases over a policy threshold level, due to the variation or extension.	Purchasing policy amended and adopted by the Council on 17 June 2025.
FMR Rec 3	5.2.2 Purchasing Policy  Exec Manager – Corporate & Community	Amend the policy to provide requirements for use of the single supplier provision and ensure organisational procedures are in line with these requirements.	
FMR Rec 4	6.1.2 ICT Strategic Plan  ICT Officer	Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level.	A 2011 ICT Strategic Plan exists. A new plan is currently under development.

Date	Item & Lead Officer	Issue	Comment/Status
FMR Rec 5	6.1.2 ICT Disaster Recovery Plan  ICT Officer	Develop an ICT Disaster Recovery Plan. Identify and document key ICT risks, along with the treatments to reduce the risk to an acceptable level. Maintain, review and test the plan to ensure validity.	An ICT Disaster Recovery Plan exists and although it is not dated, would appear to be early 2020's. This plan is overly detailed and has little operational or planning value. A review and update of this plan needs to be undertaken.
FMR Rec 6	6.1.3 Business Continuity Plan  Exec Manager – Corporate & Community	Routinely (at least annually) review, update and test the Plan to ensure validity. Identify and document key business continuity risks along with the treatments, to reduce the risk to an acceptable level.	The last BCP was adopted in 2019. This plan needs updating and regular review.
FMR Rec 9	6.2.3 Cash Handling  Manager Finance	Ensure access to any cash held is restricted only to authorised personnel through secure storage. Implement appropriate documented procedures and controls for cash maintained by staff.	Cash is restricted to Customer Service Officers and kept in a locked drawer. After hours cash is kept in a lock box in the strong room where access is limited to authorised staff only. Written procedures will be developed. Other work sites (pool, rec centre, library) to be developed.

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FMR Rec 10	6.2.3 Cash Handling  Manager Finance	To help minimise the risk of fraud or error, funds received should be receipted immediately and batches updated daily, with a reconciliation to the daily banking undertaken routinely. Errors identified through the reconciliation to the bank statements should be corrected through appropriately authorised journals.	<ul style="list-style-type: none"> <li>• Over-the-counter payments are receipted directly into Synergy, with customers issued a receipt.</li> <li>• End-of-day processes, including reconciliation of takings, are completed daily.</li> <li>• Any errors are reported to the Manager of Finance, who ensures corrections are made appropriately. Documentation is subsequently checked and signed by EMCCS.</li> <li>• Other work sites (pool, rec centre, library) to be developed.</li> </ul>
FMR Rec 13	6.2.6 General Journal Entries  Manager Finance	Document and enforce internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the current practice of independent review is maintained, and evidence of review is consistently applied.	
FMR Rec 14	6.2.7 Stock Control  Manager Finance	Review and implement processes to undertake regular stocktakes of items of inventory.	
FMR Rec 15	6.2.7 Stock Control  Manager Finance	Review and implement processes to undertake regular fuel stock reconciliations and allocations. Ensure appropriate controls exist to evidence independent review of data as required.	

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FMR Rec 16	6.2.8 Risk Management Procedures  Exec Manager – Corporate & Community	Risk management should underpin the financial management of the Shire as such implementation of risk management procedures is considered important. Risk management procedures and processes are to be developed in accordance with the latest risk management standard (ISO 31000:2018).	
FMR Rec 17	6.2.8 Risk Management Procedures  Exec Manager – Corporate & Community	Implement risk management procedures and processes throughout the whole organisation.	
FMR Rec 18	6.2.9 ICT Security  ICT Officer	Undertake a comprehensive IT security review and implement findings.	This is being completed in conjunction with the ICT Strategic Plan and the requirements of the Essential 8. The Essential 8 will be a longer term goal.
FMR Rec 19	6.2.10 Overhead & Administration Allocations  Manager Finance	Undertake a review of activity-based costings to support calculation of overheads.	
FMR Rec 20	6.2.11 Balance Sheet Reconciliations  Manager Finance	Review system processes to ensure regular and timely review of balance sheet reconciliations.	Completed. Reconciliation done each month and signed off by supervisor.
FMR Rec 21	6.2.12 Asset Condition Data  Exec Manager – Infrastructure & Assets	Develop processes to ensure asset condition data is available and current and utilise this to guide any decisions in relation to asset depreciation.	Completed – Video asset data pick up completed early in 2025.

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FMR Rec 22	6.2.13 Records Coordinator – Customer Service & Administration	Develop regular training to be undertaken by all staff with financial record keeping responsibilities to ensure a consistent and appropriate usage across the organisation.	
FMR Rec 23	6.2.13 Records Coordinator – Customer Service & Administration	Develop systems and processes to monitor the practice of financial record keeping within the organisation and identify any misuse and correct appropriately.	
<del>FMR Rec 25</del>	<del>6.2.14 Trust Fund Manager Finance</del>	<del>Develop a process to monitor the trust fund to ensure only required funds are keep in the fund.</del>	Completed. Trust Fund currently only has money held for two purposes.
FMR Rec 28	6.2.17 Operational Procedures Exec Manager – Corporate & Community	Undertake a review of existing operational procedures, and where required develop and implement additional procedures, to provide operational guidance aligned with adopted Council policies and legislation. Procedures should provide for activities not necessarily covered by legislation to communicate expected standards to staff from the CEO, in the course of implementing strategic direction and decisions of Council. Development of documented procedures and checklists, and / or workflow process diagrams may assist in clearly identifying controls and processes to be followed.	

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FMR Rec 29	6.2.18 Procedure Changes  Exec Manager – Corporate & Community	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.	
FMR Rec 30	6.3.1 Employee Termination Procedures  Coordinator – People & Culture	Establish procedures or checklists to manage and document the termination of employees, ensuring access to IT systems etc is appropriately restricted and Shire assets are recovered.	
FMR Rec 31	6.3.2 Payroll Audit Trails  Manager Finance	Procedures to minimise risk of erroneous or unauthorised changes to employee details should be implemented. Regular reviews of software audit trails is one form of control and should be undertaken as a minimum. Where possible, segregation of duties should exist where those responsible for processing payroll transactions are unable to make changes to employee master file. Payroll exception reporting and review of audit trails should be undertaken to capture anomalies or unauthorised changes.	Regular reviews of software audit trails is completed each fortnight.
FMR Rec 34	7.2.1 ICT Register  ICT Officer	As part of managing IT risks and expenditure develop a register listing the current ICT Hardware and Software and include information required for the effective monitoring and management for this equipment and systems.	A hardware list of all user PC's exists. This needs to be expanded to all office equipment and incorporated into the ICT Strategy to create a replacement schedule. A standard hardware and software profile has been developed, but it needs to be formalised.

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FMR Rec 36	7.2.3 Tender Register  Exec Manager – Infrastructure & Assets	Ensure the tender register complies with Regulation 17 of the Local Government (Functions and General) Regulations 1996 for any future tenders called.	Completed
FMR Rec 38	7.2.5 Contract Register  Corporate Governance Officer	Maintain a register to record details of contracts and their status to assist with ensuring contracts are monitored and actioned as required.	
FMR Rec 40	7.4.1 Internal Audit  Chief Executive Officer	We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to Parliament on the Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities.	
<b>2025/2026 Annual Committee Agenda Item Considerations:</b>			
ICT Disaster Recovery Plan			
Business Continuity Plan			
'Dashboard Report' of the Shire's Risk Management Framework			
Summary of the Shire's annual insurance program			Completed 26 August 2025
<b>Regular Committee Meetings</b>			

Date	Item & Lead Officer	Issue	Comment/Status
26 August 2025	5.2 Interim Audit Results  Manager of Finance	<b>GST Treatment of Purchase &amp; Sales</b> We recommend that all default GST codes associated with general ledger accounts be reviewed to ensure the appropriate application of GST treatment. In addition, in addition, transactions known to be GST-free or input taxed should be specifically examined to confirm that their GST treatment has been accurately recorded.	
26 August 2025	5.2 Interim Audit Results  Payroll Deductions	<b>Payroll Deductions</b> Regular review of employee deductions should be undertaken to ensure that they are being calculated correctly, and also that they are still applicable.	
23 December 2025	5.2 Annual Financial Report 2024/2025	<b>Employee Provisions</b> <del>All worksheets used to prepare financial disclosures should be subject to regular review by the preparer, with an additional independent review to ensure accuracy and prevent formula or referencing errors.</del>	Completed. Payroll Officer and Manager of Finance have undertaken a review of process.
23 December 2025	5.2 Annual Financial Report 2024/2025	<b>Excessive Annual Leave Balances</b> The Shire should continue to actively monitor and manage excessive annual leave balances to reduce liability, mitigate business continuity risks, and minimise the potential for fraud	Letters sent to several employees instructing them to reduce leave accrual.

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23 December 2025	5.2 Annual Financial Report 2024/2025	<b>Possibly Contaminated Sites Review</b> Management should perform an appropriate assessment of possibly contaminated sites to ensure appropriate action is taken to comply with regulatory requirements and AASB 137.	Following Waste tender figures received in December 2025, this item has been raised with the contract auditor on 5 March 2026.
10 March 2026	Audit Regulation 17 Review	<b>Risk Register</b> Formalise and document a periodic review cycle for both strategic and operational risk registers.	
10 March 2026	<del>Audit Regulation 17 Review</del>	<del><b>Insurance Coverage</b>            It is recommended that management periodically review and document the adequacy of the Shire's insurance coverage—including cyber insurance limits—to confirm continued alignment with the Shire's risk profile and risk appetite.</del>	Completed. Building values are updated as part of the fair value revaluation each 5 years and also insurance arrangements are presented to the ARIC each year.
10 March 2026	Audit Regulation 17 Review	<b>Integrated Planning &amp; Reporting</b> It is recommended that management complete and formally adopt the updated Long-Term Financial Plan and associated informing strategies to ensure alignment with the 2025–2035 Strategic Community Plan and 2025–2029 Corporate Business Plan.	

Date	Item & Lead Officer	Issue	Comment/Status
10 March 2026	Audit Regulation 17 Review	<p><b>Fraud &amp; Corruption Controls</b></p> <p>It is recommended that management develop or formally document a Fraud and Corruption Control Plan proportionate to the Shire's size and risk profile, aligned with relevant guidance and existing governance frameworks.</p> <p>In addition, consideration should be given to periodic staff and elected member communication or induction-based training to reinforce fraud awareness and reporting obligations.</p>	
10 March 2026	Audit Regulation 17 Review	<p><b>Policy Framework</b></p> <p>It is recommended that management introduce a centralised policy register documenting:</p> <ul style="list-style-type: none"> <li>• Policy title and responsible officer</li> <li>• Date of adoption and last review</li> <li>• Scheduled review frequency</li> <li>• Next review due date</li> </ul> <p>Consideration should also be given to integrating the register into the Governance and Risk Calendar and reporting an annual summary of policy review activity to the Audit, Risk and Improvement Committee.</p>	Completed. All current policies are located on the Shire's public <a href="#">website</a> , and each policy has the information (dot points left) requested.

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10 March 2026	Audit Regulation 17 Review	<b>Regular Risk Reports</b> It is recommended that management introduce a light-touch periodic consolidated risk summary report (for example, annually or biannually) to the Audit, Risk and Improvement Committee.	
10 March 2026	Audit Regulation 17 Review	<b>Audit Advisory Committee Performance</b> It is recommended that the Audit, Risk and Improvement Committee consider undertaking a light touch self-assessment of its performance and effectiveness every two to three years.	