



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.

Date	Item & Lead Officer	Issue	Comment/Status
26 Nov 2024	1. Monthly reconciliation's process  Manager Finance	Creditors reconciliations for this period were not completed in a timely manner	These reconciliations are now being completed each month.
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.
28 Jan 2025	3. Asset Register  Manager Finance	The three assets mentioned will be removed from the register.	Have been removed from the asset register prior to 24/25 audit
25 Feb 2025	Compliance Audit Return 2024  Exec Manager – Corporate & Community	The Corporate Business Plan was last adopted on 2 August 2022. The Corporate Business Plan is meant to be reviewed annually.	The plan was adopted by the Council 30 September 2025.
17 June 2025	<b>Adoption of 2025 Financial Management Review (containing 41 recommendations)</b>		
FMR Rec 1	5.2.1 General Policy Actions  Exec Manager – Corporate & Community	Review and update these policies (Budget Preparation Policy & Debt Collection Policy) to consider the appropriate separation of the roles of the council and the CEO. Consider review and update of policies to articulate the strategic direction of Council, particularly where legislation does not provide such direction.	Completed – Budget Preparation Policy repealed by the Council on 17 June 2025 and Debt Collection on 16 December 2025.

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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.
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.

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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.
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> </ul>
FMR Rec 11	6.2.4 Asset Reconciliations Manager Finance	Review system processes to ensure regular and timely preparation of asset reconciliations and for these to be independently review.	Asset reconciliations are completed monthly by the Manager of Finance and reviewed by the EMCCS.
FMR Rec 12	6.2.5 Fixed Assets Register Manager Finance	Review procedures and controls for updating the fixed assets register including evidencing review and authorisation by an independent officer.	
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.	

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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.	
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.	

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FMR Rec 20	6.2.11 Balance Sheet Reconciliations  Manager Finance	Review system processes to ensure regular and timely review of balance sheet reconciliations.	
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.	
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.	
FMR Rec 24	6.2.14 Trust Fund  Manager Finance	Remove all funds which are not required by law to be held in the trust fund, and transfer to the Municipal Fund, in line with the Office of the Auditor General (OAG) position paper on Accounting for Work Bonds, Building Bonds and Hire Bonds released in July 2019.	Completed.
FMR Rec 25	6.2.14 Trust Fund  Manager Finance	Develop a process to monitor the trust fund to ensure only required funds are kept in the fund.	

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FMR Rec 26	6.2.15 Overdue Rates Debtors  Rates Officer	Develop reporting mechanisms to allow for the monitoring of rates collection for all stages of debt collection.	A rates debtors report has been implemented and updated with the status of debt collection per outstanding property. The report is included with the end of month reconciliation that is reviewed and signed by the Manager of Finance
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.	
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.	

Date	Item & Lead Officer	Issue	Comment/Status
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.	
FMR Rec 32	6.4.1 Building Insurance  Manager Finance	Develop procedures for the regular review of building valuations and adjust insurance levels regularly to sufficiently cover any potential losses.	
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 is currently being developed.

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FMR Rec 35	7.2.2 Financial Interest Register  Executive Officer	Review systems and procedures to ensure the acknowledgement of receipt of all returns occurs and are appropriately filed in the register of financial interests as required by section 5.77 of the Local Government Act 1995.	
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.	
FMR Rec 37	7.2.4 Delegation Register  Exec Manager – Corporate & Community	<del>Review and update the delegations register to ensure the delegations are correct and are consistent with relevant legislation.</del>	<del>Completed. An annual review of delegations occurs in accordance with the LG Act. Last review adopted by Council on 22 July 2025.</del>
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 39	7.2.6 Register of Member Fees & Allowances  Executive Officer	<del>Maintain and publish on the Shire website a register of fees and allowances paid to council members for each financial year following 1 July 2020 as per the Local Government (Administration) Regulations 1996 regulation 29C (2)(f).</del>	<del>Completed. Refer to Shire Website → Council → Register Fees &amp; Allowances paid to Elected Members.</del>

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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>			
26 August 2025	5.2 Interim Audit Results  Exec Manager – Corporate & Community	<b>Payroll Software Employee Access Levels &amp; Permissions</b>  The Shire should implement multi factor authentication for payroll system access and changes to key information such as bank account and superannuation details.	
26 August 2025	5.2 Interim Audit Results  Manager of Finance	<b>Creditor Masterfile Audit Trail Review</b> <del>We recommend that this report is generated at the time of processing creditor batch payments. The report should then be reviewed for any unauthorised amendments by an authorised officer separate to the creditor processing functions, signed as reviewed and filed with the batch payment reports</del>	<del>Implemented. The audit trail is reviewed and signed fortnightly as part of the creditor payment authorisation process.</del>

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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  Manager of Finance	<b>Review of Monthly Reconciliation Debtor &amp; Creditors</b> All month end reconciliations should be completed in a timely manner and duly reviewed.	Completed. Due dates have been set and Finance team advised of these dates. Reconciliations are received and reviewed by the Manager of Finance.
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.	
26 August 2025	5.4 Asset Revaluation and Depreciation Review  Exec Manager – Corporate & Community	Proposed changes to the Infrastructure (Roads) Assets depreciation rates and estimated useful lives.	Adopted by Council 30 September 2025. Changes will be made to the Asset Register following the completion of the 2024/2025 audit process.