

OUTSTANDING AND COMPLETED ACTIONS FROM REGULATION 17 OF THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996 REVIEW

Ref	Required Action	Review Area	Status	Officer Comment
1.1	Implementation of attached 'Compliance Calendar' to formalise the Town's approach in monitoring compliance with legislation and regulations.	Legislative Compliance	Complete	The Town has since implemented the use of a Compliance Calendar, commencing from June 2019. This report will now be provided via the Audit Committee Hub.
1.2	Ensure that a monthly report on the 'Compliance Calendar' is generated for the Finance and Audit Committee, and distributed to its members for oversight purposes.	Legislative Compliance	Complete	Since the implementation of the Compliance Calendar in June 2019, a copy of the completed Compliance Calendar for the previous month has been placed on the Councillor Portal for elected members. Independent Committee Members (ICMs) for the Audit Committee are provided a copy via email. This report will now be provided via the Audit Committee Hub.
1.3	Development of a policy and/or procedure for complaints relating to elected members	Legislative Compliance	In progress	A policy for the management of complaints relating to Elected Members in matters relating to breaches of the Town's Code of Conduct (Division 3) is being developed. This action should be completed by May 2021.
1.4	Appointment of a Public Interest Disclosure (PID) officer	Legislative Compliance	Complete	The Manager Governance & Strategy has been formally appointed as the PID officer for the Town as of 28 June 2019.
1.5	Development of process which triggers the inclusion of a management disclosure in the event that a significant compliance issue is identified.	Legislative Compliance	Complete	The Auditor's opinion for the 2017/18 Financial Year included a comment on a significant adverse trend in the financial position of the Town relating to the Asset Sustainability Ratio. As a result, the Town has since implemented a process for reviewing, and reporting on, non-compliance issues raised.

1.6	Develop an internal audit program with a focus on assessing areas of risk, strategic significance, and ethics/integrity issues	Legislative Compliance	Complete	An Internal Audit Program was developed and presented to the Audit & Risk Committee in June 2020 and adopted by Council at the July 2020 OCM.
1.7	Ensure the internal audit program is appropriately resourced	Legislative Compliance	In progress	The Town has recruited a part-time temporary Coordinator Governance (Audit and Risk) tasked with developing and implementing an internal audit program, in addition to coordinating the organisational risk function. The term of engagement is May 2020 to February 2021. As the Coordinator's term of engagement is finishing at the end of February 2021 the Town is going to outsource the internal audit service.
1.8	Development of a process to capture relevant changes to external legislation and regulatory requirements, which includes the tasking of necessary actions to relevant officers and ensuring completion.	Legislative Compliance	Complete	The Town has since been providing monthly 'legislative update' reports to both the executive team and elected members since June 2019. This report will now be provided via the Audit Committee Hub.
1.9	A report containing relevant legislative changes and ensuing action to be generated and distributed to the Finance and Audit Committee to ensure appropriate oversight, as required.	Legislative Compliance	Complete	Since its implementation, this report (as outlined in 1.8) has been provided to elected members via the Councillor Portal and to ICMs via email. This report will now be provided via the Audit Committee Hub.
1.10	Development of a formal induction process for audit committee members, with a particular focus on expected conduct and roles.	Legislative Compliance	Complete	Unfortunately, the request for quotes for Audit Committee training did not identify a suitable training provider. Independent Committee Members have been enrolled to complete council essential modules

1.11	Review the Terms of Reference for the Finance and Audit Committee to ensure it is in line with legislative and regulatory requirements.	Legislative Compliance	Complete	The Terms of Reference for the Audit Committee were reviewed and recommended to the Audit Committee in March 2020. It was proposed that the Audit Committee's existing Terms of Reference be amended to include an additional section on the Committee's role in the Internal Audit function and that the name of the Committee be changed to the Audit & Risk Committee. These amendments were adopted at the following OCM in April 2020.
2.1	Ensure consistency in the drafting and keeping of procedures and/ management practices using the Town's Record Management System	Internal controls	Complete	The Town has developed a Management Practice, under Policy 001 Policy Development and Management, which outlines how Management Practices are to be developed, and recorded.
2.2	Development of a new procedure for the onboarding of new staff to address findings by Office of the Auditor General.	Internal controls	Complete	A Recruitment and Selection Procedure has been developed and endorsed by C-suite.
2.3	Ensure that all 'policy statements' and 'procedures' are appropriately captured, in line with before the next CEO's review on systems and processes relating to internal controls, which will be due in 2022	Internal controls	In progress	Several outdated policies have been reviewed and the review program is ongoing and should result in every policy having been individually reviewed by 30 June 2022.
2.4	Establish a review process for procedures and/or management practices	Internal controls	Complete	See response to 2.1.
2.5	Establish and implement a regular internal audit program	Internal controls	In progress	An Internal Audit Program was developed and presented to the Audit & Risk Committee in June 2020 and adopted by Council at the July 2020 OCM.
2.6	Risk Management Framework and registers to be reviewed	Internal controls	Complete	The reviewed Risk Management Framework was endorsed by Council at its 18 February 2020 meeting. Continuous improvements are now being identified and implemented. Commencing August 2020, a regular strategic risk and operational risk review process (with updates of the respective registers) is being implemented. A Risk

Management management practice is being drafted, to support the implementation of the Risk Management Framework. Opportunities to improve the Risk Management Framework document have been identified.

2.7	Conduct review of Council Policy ADM5 – Legal Advice – Engage Solicitors for Opinions	Internal controls	Complete	The review of Council Policy ADM5 – Legal Advice – Engage Solicitors for Opinions was presented to the Audit Committee at its 19 February 2020 meeting.
3.1	Review the Town’s Risk Management Framework	Risk Management	Complete	Please see response to 2.6.
3.2	Review and update operational and strategic risk registers	Risk Management	Complete	<p>The reviewed Strategic Risk Register has been endorsed by Council at its 18 February 2020 meeting. Council resolved at this OCM that biannual strategic risk reviews be conducted. The CEO has presented a report on a review of strategic reviews at the Audit & Risk Committee in September 2020. Another CEO's Update: Strategic Risk Review report was presented to the Audit and Risk Committee in November 2020 with two additional strategic risks being added to the register.</p> <p>The CEO will continue to conduct biannual strategic risk reviews and present them to the Audit and Risk Committee as per Council resolution.</p> <p>A corporate-wide operational risk has been conducted in October 2020 with a new operational risk register has been established as an output.</p>
3.3	Risk tolerances to be set as part of the Risk Management Framework, matrix and/or policy review	Risk Management	Complete	The Risk Management Framework now includes articulation of the Council’s ‘risk appetites’ against risk impact categories.
3.4	Present regular risk reports to the Audit Committee, in line with its Terms of Reference, and the reviewed Risk Management Framework	Risk Management	Complete	<p>See 3.2.</p> <p>Regular risk reports will be presented to the Audit Committee, in line with its Terms of Reference.</p>

3.5	Review of the Procurement Policy to Risk Management be presented to Council	Complete	The review of the Procurement Policy was presented to Council at its 17 December 2019 meeting.
3.6	Implementing an ongoing Risk Management monitoring and reporting program for both operational and strategic risks, inclusive of risks relating to fraud and misconduct	Complete	<p>The reviewed Risk Management Policy, which was endorsed by Council at its 18 February 2020 meeting, included provisions to allow for the escalation of operational risks to Council, as required, and to provide regular reports on Strategic Risks (as per the response provided in 3.4).</p> <p>The Town has developed a Risk Management Practice which covers the monitoring and reporting program for both operational and strategic risks, inclusive of risks relating to fraud and misconduct.</p>