

OUTSTANDING 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.
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.
1.3	Development of a policy and/or procedure for complaints relating to elected members	Legislative Compliance	In progress	The Town is undertaking research into the development of a Complaints Management Framework and/or policy, which is to include a process for both statutory complaints (as identified in the Act), and concerns raised.
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	In progress	Upon recommendation from the Audit Committee, Council has resolved to request that the Chief Executive Officer provide a report to the Audit Committee on the Town's internal audit program. This report, inclusive of how the program may be developed and implemented, will be presented to the Audit Committee at its March meeting.

Commented [DU1]: @Anthony Vuleta @Graham Olson Please check that this response is correct. This will be going to the Audit Committee in March (as part of the Reg. 17 review)

Commented [DU2]: @Michael Cole @Ann Thampoe Please check that this response is correct. This will be going to the Audit Committee in March (as part of the Reg. 17 review)

Commented [AT3R3]: @Danielle Uniza confirmed with Mike - all okay.

Commented [MC4R3]: @Danielle Uniza for 1.5, this is also complete for 2017/18.

Commented [DU5R3]: Updated

1.7	Ensure the internal audit program is appropriately resourced	Legislative Compliance	In progress	As there is no resource allocated for the purpose of conducting internal audits, the Town is currently recruiting for a trial role of Coordinator Governance (Audit and Risk). This role, although having a focus on risk, is dually responsible for assisting the Town in developing and implementing an internal audit program. This is a shared resource with the City of Vincent.
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.
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.
1.10	Development of a formal induction process for audit committee members, with a particular focus on expected conduct and roles.	Legislative Compliance	In progress	The Town is currently investigating options for a formal induction for Audit Committee members. Once the full Committee has been appointed, inclusive of all ICMs and elected members, further information on the induction process will be communicated.
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 Finance and Audit Committee (now the Audit Committee) was reviewed in July 2019.

2.1	Ensure consistency in the drafting and keeping of procedures and/ management practices using the Town's Record Management System	Internal controls	In progress	The Town is in the process of developing a Management Practice, to be created under Policy 001 Policy Development and Management, which will outline 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	In progress	<p>A Management Practice for the on-boarding of new staff, based upon the findings of the OAG, has been drafted – however, this has yet to be approved and completed.</p> <p>The Town has since updated the identity check process to ensure new staff are checked before commencing. The Town has also since completed internal review of all existing staff to ensure their identity and qualification details are accurate.</p>
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	The Town conducted a minor review of all Council policies which was presented to Council at its meeting held 20 August 2019. This minor review sought to amend all existing policies to ensure that 'policy statements' and 'procedures' are appropriately captured. In more complex cases where the two elements are not easily distinguishable, Council has resolved to conduct a full review of those policies.
2.4	Establish a review process for procedures and/or management practices	Internal controls	In progress	Please see response to 2.1.
2.5	Establish and implement a regular internal audit program	Internal controls	In progress	Please see response to 1.6 and 1.7.
2.6	Risk Management Framework and registers to be reviewed	Internal controls	Complete	The reviewed Risk Management Framework has been endorsed by Council at its 18 February 2020 meeting.

Commented [DU6]: @Anthony Vuleta @Graham Olson Please check that this response is correct. This will be going to the Audit Committee in March (as part of the Reg. 17 review)

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	In progress	The reviewed Strategic Risk Register has been endorsed by Council at its 18 February 2020 meeting, alongside the review of the Risk Management Framework. The Operational Risk Register – which entails a much larger review – is in progress.
3.3	Risk tolerances to be set as part of the Risk Management Framework, matrix and/or policy review	Risk Management	Complete	As part of the Risk Management Framework review, the Town, through workshops with elected members and the executive team, have proposed the addition of 'risk tolerances' to the framework, alongside reviewing the risk management matrices.
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	In progress	As part of the Risk Management Framework and Strategic Risk Register Review, Council has resolved to request that the Chief Executive Officer provide a bi-annual update on actions arising from the Strategic Risk Register. The first update is due to the Committee in September 2020. One of the 'Risk Treatment Actions' identified as part of the Strategic Risk Register review is to review the Audit Committee's Terms of Reference.
3.5	Review of the Procurement Policy to be presented to Council	Risk Management	Complete	The review of the Procurement Policy was presented to Council at its 17 December 2019 meeting.
3.6	Implementing an ongoing monitoring and reporting program for both operational and strategic	Risk Management	In progress	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 a regular reports on Strategic Risks (as per the response provided in 3.4).

Commented [DU7]: @Michael Cole @Ann Thampoe
Please check that this response is correct. This will be going to the Audit Committee in March (as part of the Reg. 17 review)

Commented [AT8R8]: @Danielle Uniza Yes all good. Status should be "Complete"

Commented [MC9R8]: @Danielle Uniza Sorry Danielle - I overlooked replying to you. As suggested by Ann this should show as Completed

Commented [DU10R8]: Updated

risks, inclusive of risks relating to fraud and misconduct

As part of the Strategic Risk Register, a risk relating to the fraud and corruption was identified. A 'Risk Treatment Action' for this risk is to create a Fraud and Corruption Management Framework, which will include misconduct.